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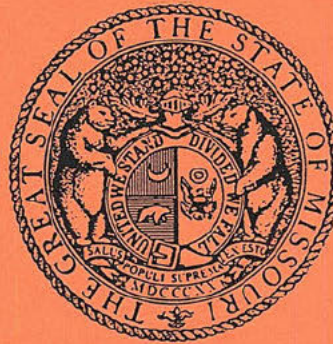
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# MISSOURI HEALTH MAINTENANCE ORGANIZATION REPORT 1995



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Missouri Department of Insurance  
Statistics Section  
December 1996

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**Missouri Department of Insurance  
Statistics Section  
December 1996**

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# MISSOURI HEALTH MAINTENANCE ORGANIZATION REPORT 1995

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# MISSOURI HEALTH MAINTENANCE ORGANIZATION REPORT 1995

## INTRODUCTION

This report provides the public with financial and operations data on the **Health Maintenance Organizations (HMOs)** operating in Missouri. HMOs offer their enrollees a defined set of basic health care services for a prepaid, fixed fee. These services include hospital, physician, and other health care professional services. To receive care that will be paid by the HMO, members must select a primary care physician who provides for all of the member's primary medical care. This physician also acts as a "gatekeeper," and is responsible for referrals and access to specialists and other services. Most HMOs limit patients' out-of-pocket expenses to small copayments.

Assessments based on this report should recognize that an HMO's performance is influenced by model type, enrollment size, and length of time in operation.

Included in the report are:

- 1) an address list of Missouri-licensed HMOs;
- 2) maps and tables indicating counties included in each HMO's service area;
- 3) charts showing trends in Missouri HMO enrollment, and 1995 Missouri HMO enrollment by company and by holding company/parent groups for various regions of the state;
- 4) tables presenting utilization measures of annualized physician encounters and inpatient days;
- 5) demographic details on enrollment by plan with age and gender breakouts;
- 6) tables showing financial positions including balance sheet, income statement, revenues, and expenses items, along with operational performance indicators;
- 7) detailed company profiles including five year historical summaries of balance sheet, income statement, enrollment, and operational measures, with brief notes on each HMO's organization and operations.

Preparation of this report is authorized by Section 374.426, RSMo. The data in the report is based on 1995 HMO annual statements and supplements filed with the Missouri Department of Insurance by each Missouri-licensed HMO operational at year end 1995. The report's accuracy is limited by the quality of data provided to the Missouri Department of Insurance by the HMOs. Substantial effort has been made to ensure the accuracy of the information presented in this report. Future reprintings of the report may update any erroneous data brought to the attention of the Missouri Department of Insurance. The information is intended for general comparisons and evaluations. The information is not to be interpreted, in any form, as an endorsement or as an objection by the Missouri Department of Insurance regarding the operations of any HMO. Questions, corrections, and comments regarding this report should be directed to the Missouri Department of Insurance, Statistics Section, P.O. Box 690, Jefferson City, Missouri 65102-0690.



# Missouri-Licensed Health Maintenance Organizations

As of November 1996

**Alliance for Community Health, Inc.,  
d/b/a Community Care, A Healthcare Partnership**  
3920 Lindell Blvd., Suite 100  
St. Louis, MO 63108  
314/454-0055 or 314/361-1669  
Admitted to State: June 27, 1995

**\*Childrens Mercy Family Plan**  
2401 Gillham Road  
Kansas City, MO 64108  
816/234-3000  
Admitted to State: February 20, 1996

**CIGNA HealthCare of St. Louis, Inc.**  
8182 Maryland Avenue, Suite 900  
St. Louis, MO 63105-3721  
314/726-7860 or 314/878-2866  
Admitted to State: January 17, 1986

**Exclusive Healthcare, Inc.**  
Mutual of Omaha Plaza  
Omaha, NE 68175  
402/351-8101 or 402/978-2869  
Admitted to State: May 31, 1990

**Good Health HMO, Inc., d/b/a Blue-Care**  
One Pershing Square, 2301 Main Street  
Kansas City, MO 64108  
816/395-2222 or 816/561-2300  
Admitted to State: September 28, 1988

**Healthcare USA of Missouri LLC**  
100 South Fourth St., Suite 1100  
St. Louis, MO 63102  
314/241-5300 or 800/213-7792  
Admitted to State: June 13, 1995

**\*AmeriCan Medical Plans of Missouri, Inc.**  
4741 Central Avenue, Suite 358  
Kansas City, MO 64112  
816/561-2883 or 800/213-9822  
Admitted to State: March 26, 1996

**\*Childrens Mercy Hospital/Truman Medical  
Center Family Health Partners, Inc.,  
d/b/a Family Health Partners**  
2301 Holmes Road  
Kansas City, MO 64108  
816/556-3000 or 816/556-3094  
Admitted to State: May 6, 1996

**Citizens Advantage**  
P.O. Box 479, 1500 North Oakland  
Bolivar, MO 65613  
417/777-6000 or 417/326-6000  
Admitted to State: February 18, 1994

**\*FirstGuard Health Plan, Inc.**  
3801 Blue Parkway  
Kansas City, MO 64130  
816/929-2668  
Admitted to State: March 21, 1995

**Group Health Plan, Inc.**  
940 West Port Plaza, Suite 300  
St. Louis, MO 63146  
800/755-3901 or 314/453-1700  
Admitted to State: September 10, 1985

**\*HealthFirst Health Management Organization**  
2202 West 32nd St.  
Joplin, MO 64804-3599  
417/659-3696  
Admitted to State: January 8, 1996

**BMA Selectcare, Inc.**  
P.O. Box 419458  
Kansas City, MO 64141  
816/753-8000  
Admitted to State: December 3, 1991

**CIGNA HealthCare of Ohio, Inc., d/b/a  
\*\*CIGNA HealthCare of Kansas/Missouri, Inc.**  
101 South Webb Road, Suite 200  
Wichita, KS 67207  
913/451-9389  
Admitted to State: June 30, 1986

**Community Health Plan**  
5301 Faraon  
St. Joseph, MO 64506-3817  
816/271-1247  
Admitted to State: December 29, 1994

**\*\*GenCare Health Systems, Inc.**  
On 10/01/96 merged with PHP of Greater St. Louis and renamed:  
**United HealthCare of the Midwest, Inc.**  
P.O. Box 419079  
St. Louis, MO 63141-9079  
800/627-0607  
Admitted to State: July 23, 1985

**\*HealthCare America Plans, Inc.**  
P.O. Box 780467  
Wichita, KS 67278-0467  
800/475-4274 or 316/687-1600  
Admitted to State: March 29, 1996

**HealthLink HMO, Inc.**  
777 Craig Road, Suite 110  
St. Louis, MO 63141  
800/624-2680 or 314/569-7200  
Admitted to State: January 14, 1993

\* Indicates the health maintenance organization was newly licensed and/or did not operate in 1995.

\*\*Indicates the HMO name under which 1995 data is shown in the report.

# Missouri-Licensed Health Maintenance Organizations

Listing continued from previous page.

As of November 1996

## HealthNet, Inc.

2300 Main St., Suite 700  
Kansas City, MO 64108-2415  
816/221-8400  
Admitted to State: March 2, 1987

## Humana Kansas City, Inc.

10450 Holmes Street, Suite 330  
Kansas City, MO 64131  
816/941-8900  
Admitted to State: November 25, 1986

## Mercy Health Plans of Missouri, Inc., d/b/a Premier Health Plans

12935 North Outer 40 Drive, Suite 200  
St. Louis, MO 63141-8636  
314/995-4545 or 314/214-8100  
Admitted to State: January 6, 1995

## \*\*Physicians Health Plan of Greater St. Louis, Inc.

On 10/01/96 merged with GenCare Health Systems, Inc. and renamed:  
**United HealthCare of the Midwest, Inc.**  
77 West Port Plaza, Suite 500  
St. Louis, MO 63146  
800/535-9291 or 314/275-7000  
Admitted to State: February 20, 1986

## Prudential Health Care Plan, Inc., d/b/a PruCare

12312 Olive Boulevard, Suite 500  
Creve Coeur, MO 63141  
314/542-4500 or 314/567-1100  
Admitted to State: July 11, 1985

## HMO Missouri, Inc., d/b/a BlueChoice

P.O. Box 66828  
St. Louis, MO 63166-6828  
800/634-4395 or 314/923-7700  
Admitted to State: December 2, 1987

## Kaiser Foundation Health Plan of Kansas City, Inc.

10561 Barkley, Suite 500  
Overland Park, KS 66212  
913/967-4600 or 800/632-9700  
Admitted to State: May 19, 1981

## MetraHealth Care Plan of Kansas City, Inc.

9 Corporate Woods, Suite 185  
9200 Indian Creek Parkway  
Overland Park, KS 66210  
314/524-1157 or 314/542-1400  
Admitted to State: December 29, 1986

## Principal Health Care of Kansas City, Inc.

101 East 101st Terrace, Suite 300  
Kansas City, MO 64131  
816/931-8250 or 800/969-3343  
Admitted to State: June 9, 1988

## TriSource HealthCare, Inc., d/b/a Blue-Advantage

P.O. Box 419169  
Kansas City, MO 64141-6169  
800/892-6048 or 816/395-2222  
Admitted to State: February 26, 1992

## Humana Health Plan, Inc.

11861 Westline-Industrial Blvd.  
Maryland Heights, MO 63146  
314/993-3593  
Admitted to State: March 30, 1986

## Medical Center Health Plan, d/b/a Partners HMO

One City Place Drive, Suite 670  
St. Louis, MO 63141  
314/567-6660  
Admitted to State: February 11, 1988

## \*Missouri Advantage LLC

P.O. Box 699  
Bolivar, MO 65613  
417/777-6000  
Admitted to State: July 8, 1996

## \*\*Principal Health Care of St. Louis, Inc. (formerly MetraHealth Care Plan of St. Louis)

25 Charles Street, 14 NB  
Hartford, CT 06183  
314/542-1400  
Admitted to State: July 31, 1986

## Truman Medical Center, Inc.

2301 Holmes Street  
Kansas City, MO 64108  
816/556-3000  
Admitted to State: January 1, 1987

\* Indicates the health maintenance organization was newly licensed and/or did not operate in 1995.

\*\*Indicates the HMO name under which 1995 data is shown in the report.



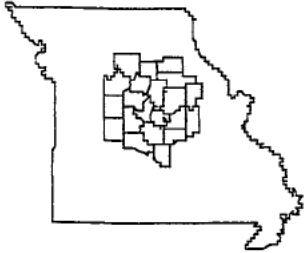


# MISSOURI-LICENSED HEALTH MAINTENANCE ORGANIZATIONS' APPROVED SERVICING AREAS

Health Maintenance Organizations attempt to contain costs by controlling and managing access to health care providers. Choice of providers is typically limited to a defined panel of providers. Since access to health care for HMO members is determined by the number and availability of defined providers within a given area, HMOs are licensed by the Missouri Department of Insurance to operate in specific counties or other geographically defined areas such as Zip codes. Research on geographical and commercial definitions of provider network adequacy is continuing among both private and public health care sectors to define acceptable standards by which to determine whether a network of providers in a proposed service area is adequate for the HMO to provide, or arrange for the provision of "basic health care services" as required by Missouri Statute.

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<b>WESTERN REGION .....</b>	<b>13</b>

# HMOs APPROVED TO SERVICE CENTRAL REGION COUNTIES\*

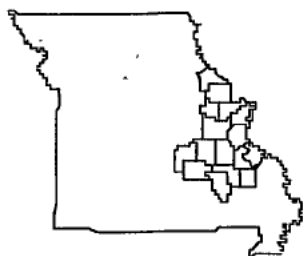


AUDRAIN	BENTON	BOONE	CALLAWAY	CAMDEN	CHARITON	COLLE	COOPER	GASCONADE	HOWARD	MARIES	MILLER	MONITEAU	MONROE	MONTGOMERY	MORGAN	OSAGE	PETTIS	PULASKI	RANDOLPH	SALINE
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Exclusive Healthcare, Inc.														X						
GenCare Health Systems, Inc.	X		X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X
Group Health Plan, Inc.	X		X	X	X		X	X	X	X	X	X		X	X	X		X	X	
HealthCare USA of Missouri LLC	X		X	X	X	X	X	X	X		X	X	X	X	X	X	X		X	X
HealthLink HMO, Inc.	X		X	X			X	X		X		X	X	X					X	
HMO Missouri, Inc., d/b/a BlueChoice	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Humana Health Plan, Inc.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X
Humana Kansas City, Inc.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X
Medical Center Health Plan, d/b/a Partners HMO			X	X		X	X	X	X	X	X	X		X	X	X			X	
Mercy Health Plans of Missouri, Inc.	X	X	X	X	X		X	X	X	X		X	X		X	X				
Physicians Health Plan of Greater St. Louis, Inc.	X		X	X	X		X	X	X	X	X	X		X	X	X		X	X	
Principal Health Care of Kansas City, Inc.			X	X	X		X	X	X		X	X	X		X	X	X		X	
Prudential Health Care Plan, Inc., d/b/a PruCare	X													X						
TriSource HealthCare, Inc., d/b/a Blue-Advantage		X															X			X

\* Approved counties as of August 1996

# HMOs APPROVED TO SERVICE EASTERN REGION COUNTIES\*



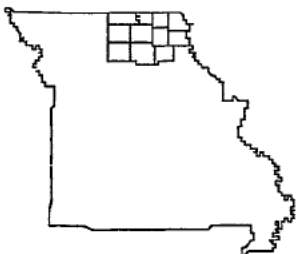
CRAWFORD	DENT	FRANKLIN	IRON	JEFFERSON	LINCOLN	MADISON	PHELPS	PIKE	RALLS	REYNOLDS	ST CHARLES	ST FRANCIS	ST LOUIS	ST LOUIS CITY	ST LOUIS GENEVIEVE	WARREN	WASHINGTON
----------	------	----------	------	-----------	---------	---------	--------	------	-------	----------	------------	------------	----------	---------------	--------------------	--------	------------

Alliance for Community Health, Inc.			X		X						X		X	X			
CIGNA HealthCare of St. Louis, Inc.			X		X						X		X	X			
Exclusive Healthcare, Inc.			X		X	X					X	X	X	X		X	X
GenCare Health Systems, Inc.	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X
Group Health Plan, Inc.	X		X		X	X	X		X		X	X	X	X	X	X	X
HealthCare USA of Missouri LLC			X								X		X	X		X	
HealthLink HMO, Inc.	X		X	X	X	X	X				X	X	X	X	X	X	X
HMO Missouri, Inc., dba BlueChoice	X		X		X	X		X	X		X	X	X	X	X	X	X
Humana Health Plan, Inc.			X		X		X				X	X	X	X	X		
Humana Kansas City, Inc.			X		X		X				X	X	X	X	X		
Medical Center Health Plan, dba Partners HMO	X		X		X	X	X	X			X	X	X	X	X	X	X
Mercy Health Plans of Missouri, Inc.			X		X						X		X	X			
Physicians Health Plan of Greater St. Louis, Inc.	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X
Principal Health Care of Kansas City, Inc.			X		X		X				X	X	X	X	X	X	
Principal Health Care of St. Louis, Inc.			X		X						X		X	X			
Prudential Health Care Plan, Inc.			X		X	X					X		X	X	X		

\*Approved counties as of August 1996

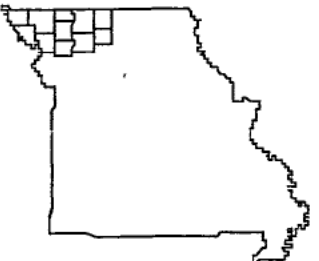


## HMOs APPROVED TO SERVICE NORTHEASTERN REGION COUNTIES\*

	A D A I R	C L A R K	K N O X	L E W I S	L I N N	M A C O N	M A R I O N	P U T N A M	S C H U Y L E R	S C O T L A N D	S H E L B Y	S U L L I V A N
GenCare Health Systems, Inc.	X		X	X	X	X			X	X	X	X
HealthLink HMO, Inc.						X						
HMO Missouri, Inc., dba BlueChoice	X				X	X		X	X			X
Humana Health Plan, Inc.	X	X	X		X	X		X	X	X	X	X
Humana Kansas City, Inc.	X	X	X		X	X		X	X	X	X	X
Physicians Health Plan of Greater St. Louis, Inc.	X					X						

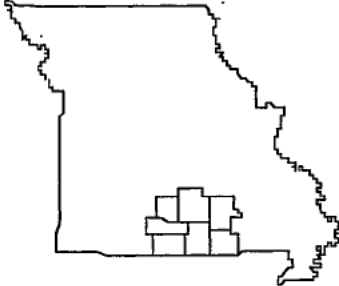
\*Approved counties as of August 1996

## HMOs APPROVED TO SERVICE NORTHWESTERN REGION COUNTIES\*

											
	ANDREW	ATCHISON	DAVIES	DEKALB	GENTRY	GRUNDY	HARRISON	HOLT	MERCER	NODAWAY	WORTH
Community Health Plan	X	X	X	X	X	X	X	X	X	X	X
Exclusive Healthcare, Inc.			X				X				
Good Health HMO, Inc., dba Blue-Care, Inc.	X										
Principal Health Care of Kansas City, Inc.				X							
TriSource HealthCare, Inc., dba Blue-Advantage	X	X	X	X	X	X	X	X	X	X	X

\*Approved counties as of August 1996

## HMOs APPROVED TO SERVICE SOUTH CENTRAL REGION COUNTIES\*

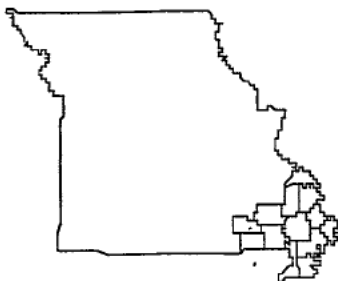
	<b>D O U G L A S</b>	<b>H O W E L L</b>	<b>O R E G O N</b>	<b>O Z A R K</b>	<b>S H A N N O N</b>	<b>T E X A S</b>	<b>W R I G H T</b>
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GenCare Health Systems, Inc.		<b>X</b>	<b>X</b>		<b>X</b>	<b>X</b>	
HMO Missouri, Inc., dba BlueChoice	<b>X</b>			<b>X</b>			<b>X</b>
Humana Health Plan, Inc.	<b>X</b>	<b>X</b>				<b>X</b>	<b>X</b>
Humana Kansas City, Inc.	<b>X</b>	<b>X</b>				<b>X</b>	<b>X</b>
Medical Center Health Plan, dba Partners HMO	<b>X</b>			<b>X</b>			<b>X</b>
Mercy Health Plans of Missouri, LLC	<b>X</b>	<b>X</b>		<b>X</b>	<b>X</b>		<b>X</b>
Physicians Health Plan of Greater St. Louis, Inc.		<b>X</b>	<b>X</b>		<b>X</b>	<b>X</b>	<b>X</b>

\*Approved counties as of August 1996



# HMOs APPROVED TO SERVICE SOUTHEASTERN REGION COUNTIES\*



BOLLINGER

BUTLER

CAPE GIRARDEAU

CARTER

DUNKLIN

MISSISSIPPI

NEW MADRID

PEMISCOT

PERRY

RIPLEY

SCOTT

STODDARD

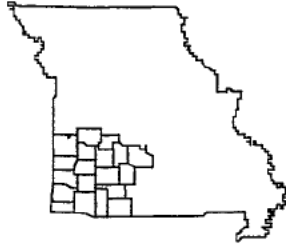
WAYNE

GenCare Health Systems, Inc.	X	X	X^	X	X	X^	X	X	X	X	X^	X	X
HealthLink HMO, Inc.									X				
HMO Missouri, Inc., dba BlueChoice	X		X			X	X		X		X	X	
Humana Health Plan, Inc.		X	X^		X			X	X	X		X	X
Humana Kansas City, Inc.		X	X^		X			X	X	X		X	X
Medical Center Health Plan, dba Partners			X						X		X		
Physicians Health Plan of Greater St. Louis, Inc.	X	X	X^	X	X	X	X	X	X	X	X	X	X

\* Approved counties as of August 1996

^ Approved for Point-of-Service plans only

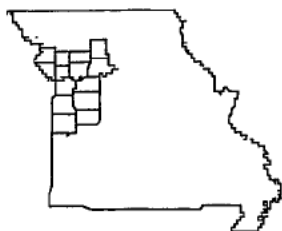
## HMOs APPROVED TO SERVICE SOUTHWESTERN REGION COUNTIES\*

	BARRY	BARTON	CEDAR	CHRISTIAN	DADDE	DALLAS	GREENE	HICKORY	JASPER	LACLEDE	LAWRENCE	MCDONALD	NEWTON	POLK	ST. CLAIR	STONE	TANEY	VERNON	WEBSTER

American Medical Plans of Missouri, Inc.				X			X							X		X	X		
Citizens Advantage			X		X	X		X						X	X				
GenCare Health Systems, Inc.	X			X			X		X	X			X				X		X
Group Health Plan, Inc.										X									
HealthFirst Health Management Organization	X	X			X				X		X	X	X						
HMO Missouri, Inc., dba BlueChoice	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X		X
Humana Health Plan, Inc.	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X
Humana Kansas City, Inc.	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X
Medical Center Health Plan, dba Partners HMO	X	X		X	X				X	X	X	X	X	X		X	X		X
Mercy Health Plans of Missouri, Inc.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X
Physicians Health Plan of Greater St. Louis, Inc.	X			X			X		X	X	X	X	X				X		X
TriSource HealthCare, Inc., dba Blue-Care, Inc.															X			X	

\*Approved counties as of August 1996

# HMOs APPROVED TO SERVICE WESTERN REGION COUNTIES\*



B A T E S	B U C H A N A N	C A L D W E L L	C A R R O L L	C A S S	C L A Y	C L I N T O N	H E N R Y	J A C K S O N	J O H N S O N	L A F A Y E T T E	L I V I N G S T O N	P L A T T E	R A Y
-----------------------	--------------------------------------	--------------------------------------	---------------------------------	------------------	------------------	---------------------------------	-----------------------	---------------------------------	---------------------------------	---	--	----------------------------	-------------

American Medical Plans of Missouri, Inc.					X	X		X	X	X		X	X
BMA Selectcare, Inc.		X			X	X	X	X		X		X	X
Children's Mercy Family Plan					X	X	X	X	X	X		X	X
Children's Mercy Hospital/Truman Medical Center Family Health Partners, Inc.					X	X		X	X	X		X	X
CIGNA HealthCare of Kansas/Missouri, Inc.					X	X		X		X		X	X
CIGNA HealthCare of Ohio, Inc.					X	X		X		X		X	X
Community Health Plan		X	X	X		X	X	X		X	X	X	X
Exclusive Healthcare, Inc.			X		X	X	X	X		X	X	X	X
FirstGuard Health Plan, Inc.					X	X		X	X	X		X	X
GenCare Health Systems, Inc.					X	X		X	X	X		X	
Good Health HMO, Inc., d/b/a Blue-Care, Inc.		X			X	X		X	X	X		X	X
HealthCare America Plan, Inc.					X	X	X	X		X		X	X
HealthCare USA of Missouri, Inc.					X	X		X	X	X		X	X
HealthNet, Inc.		X			X	X	X	X	X	X		X	X
Humana Health Plan, Inc.	X	X	X	X	X	X		X	X	X	X	X	X
Humana Kansas City, Inc.	X	X	X	X	X	X		X	X	X	X	X	X
Kaiser Foundation Health Plan of Kansas City, Inc.					X	X		X				X	X
MetraHealth Care Plan of Kansas City, Inc.					X	X		X		X		X	
Principal Health Care of Kansas City, Inc.		X			X	X	X	X	X	X		X	X
Prudential Health Care Plan, Inc.					X	X		X		X		X	X
TriSource HealthCare, Inc., d/b/a Blue-Advantage	X	X	X	X	X	X	X	X	X	X	X	X	X
Truman Medical Center, Inc.								X					

\*Approved counties as of August 1996

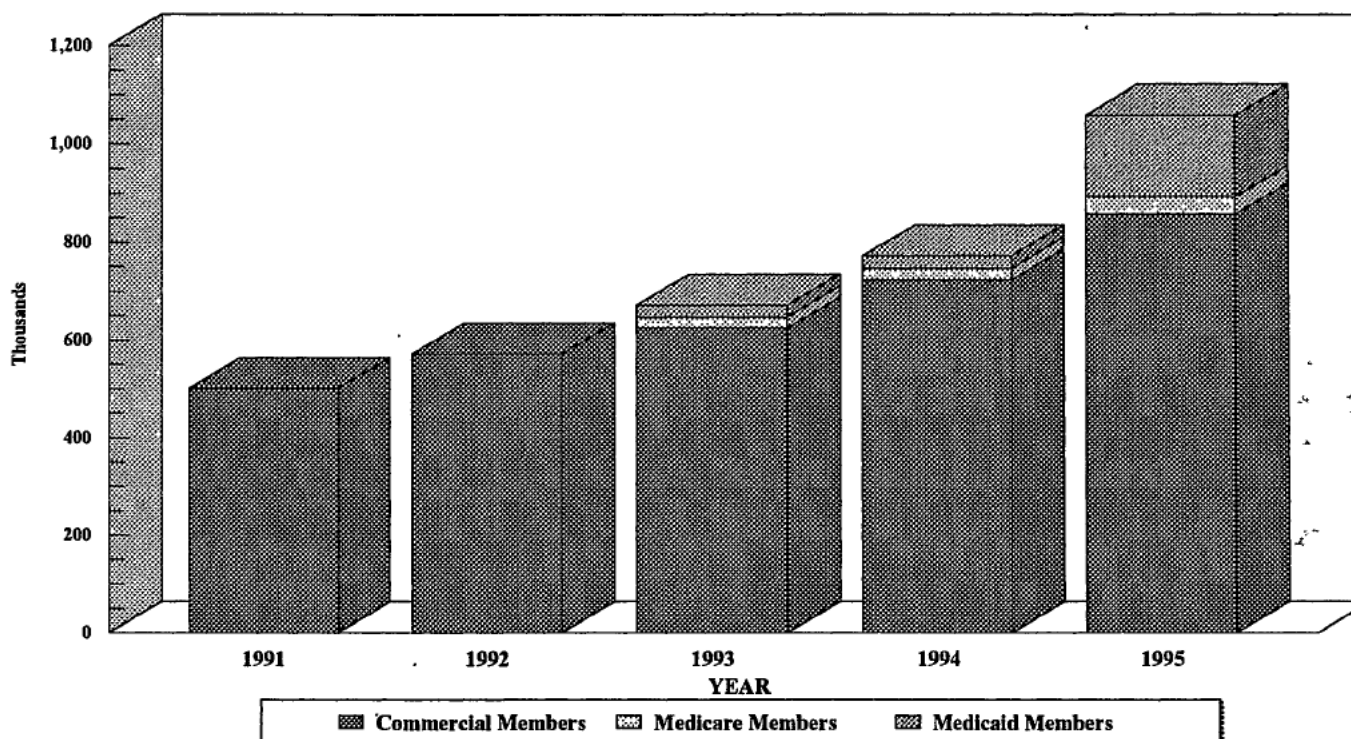
## HEALTH MAINTENANCE ORGANIZATION MISSOURI ENROLLMENT INFORMATION

The enrollment data contained in this report is a summary of year end 1995 Missouri-licensed HMO membership. An HMO member is defined as a person enrolled as a subscriber or eligible dependent of a subscriber and for whom the HMO has accepted financial responsibility for provision of contracted health services. The information does not include enrollment of persons receiving managed care through Preferred Provider Organizations (PPOs) associated with indemnity insurance companies or self-funded employer plans for which HMOs, or companies affiliated with HMOs, provide administrative services. In such arrangements an HMO may earn fees from network rental, utilization review, claims processing, and/or other administrative services. Administrative fees are not considered premium revenue. Accurate risk and health services management assessment require analysis of membership experience for which the HMO has assumed financial liability. Therefore, statutory filings used as data sources for the information presented in this report are to exclude Administrative Service-Only (ASO) members. Footnotes to various tables indicate where submitted data has been adjusted in an effort to maintain comparability among the HMO data being presented.

HMOs submitted enrollment data in March of 1996 as a part of Annual Statement filings, and through the month of May as a part of annual supplement filings. The 1995 HMO annual supplement, for the first time, required the reporting of enrollment counts by the Zip code in which the enrollees reside, as opposed to an aggregate statewide total as reported in Annual Statements. Therefore, enrollment information is also presented in an appendix for various geographical and metropolitan regions, and by different classifications of enrollment (e.g. standard HMO plan, Point-of-Service plan, Medicare, and Medicaid). Point-of-Service (POS) plans differ from standard HMO service plans by providing members the option to receive service from providers who are outside the HMO's designated provider network. POS plans are generally more expensive for health care service purchasers due to higher copayments, co-insurance requirements, and/or limits on covered benefits. Medicare and Medicaid enrollees refer to Medicare and Medicaid beneficiaries who enroll in HMOs that have arranged for the provision of health care services per agreements with the Health Care Financing Administration (HCFA) and/or the Missouri Division of Medical Services.

# YEAR END MISSOURI MEMBER TOTALS

INCLUDES COMMERCIAL (Group & Individual), MEDICARE, and MEDICAID ENROLLMENT



## Missouri Membership Totals and % Changes

	1991	1992	% Change (1991-92)	1993	% Change (1992-93)	1994	% Change (1993-94)	1995	% Change (1994-95)
Medicaid Members	N/A	N/A	N/A	23,864	—	25,289	6%	165,696	555%
Medicare Members	N/A	N/A	N/A	23,049	—	23,973	4%	35,426	48%
Commercial Members	501,414	572,048	14%	624,415	9%	723,031	16%	857,609	19%
<b>Total Members</b>	<b>501,414</b>	<b>572,048</b>	<b>14%</b>	<b>671,328</b>	<b>17%</b>	<b>772,293</b>	<b>15%</b>	<b>1,058,731</b>	<b>37%</b>

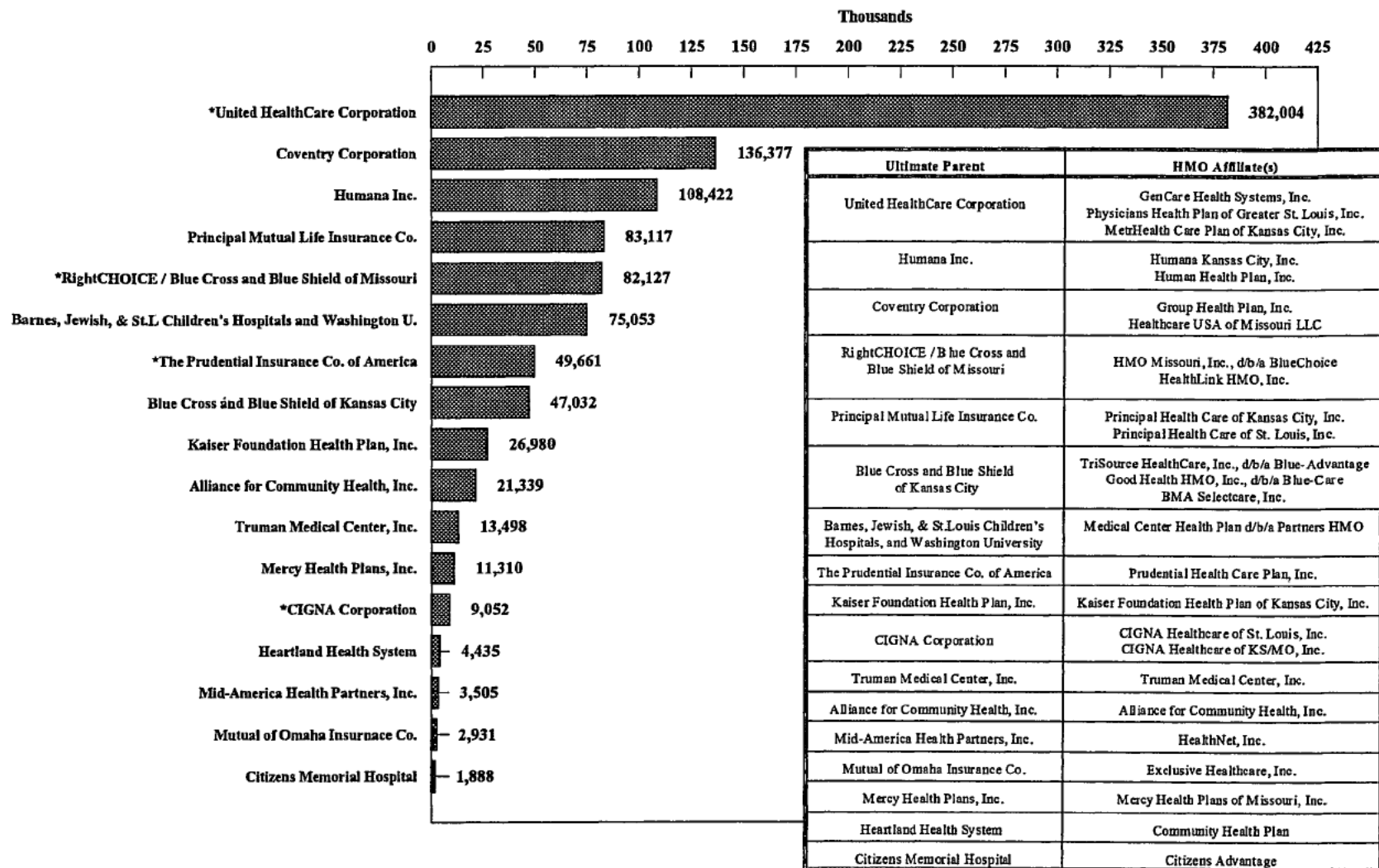
Formula for calculating growth rate: (Current Year Member Total - Previous Year Member Total) / Previous Year Member Total

\* Note: Totals for years prior to 1994 may include ASO membership.

# 1995 YEAR END MISSOURI MEMBERS

## BY HOLDING COMPANY GROUP

INCLUDES COMMERCIAL (Group & Individual), MEDICARE, and MEDICAID ENROLLMENT



**Total 1995 Year End Missouri Members - 1,058,731**

\* Indicates affiliated HMO's Missouri member figure excludes administrative service only members and/or any other non-risk members.

Table representative of parent company and affiliates as of 08/96. In September of 1995, the Missouri Department of Insurance approved United HealthCare Corporation's (UHC's) purchase of MetraHealth Inc.'s Kansas City subsidiary while requiring UHC to sell MetraHealth Inc.'s St. Louis subsidiary.

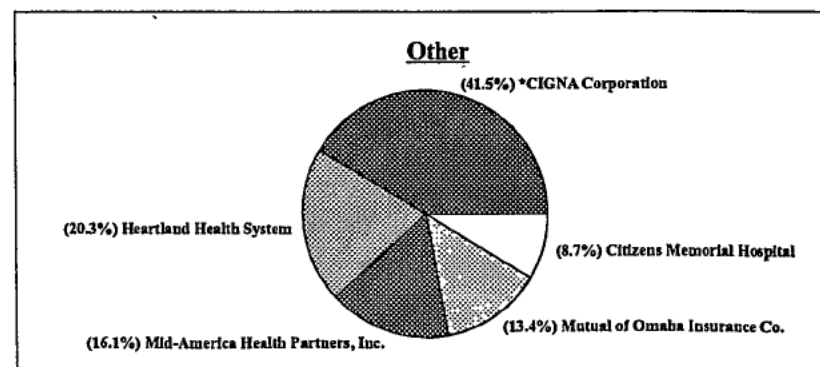
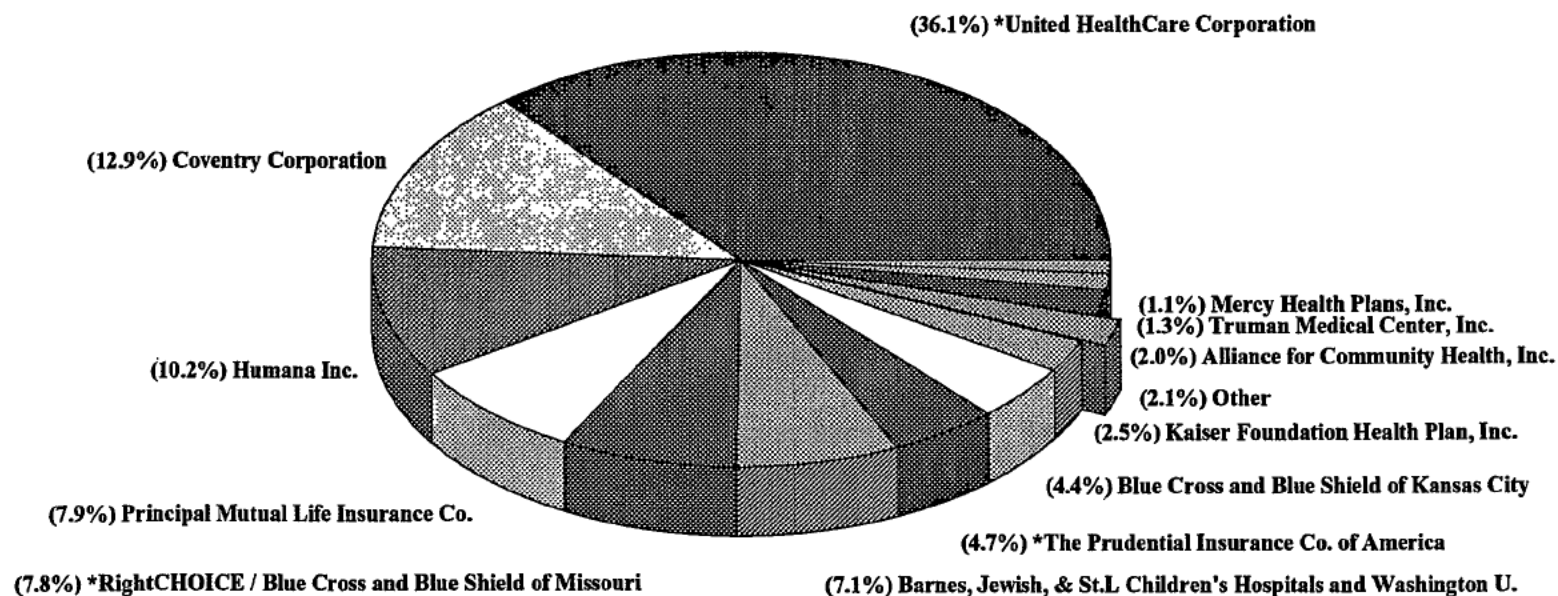
In March of 1996, MetraHealth Care Plan of St. Louis, Inc. was sold to Principal Mutual Life Insurance Company and renamed Principal Health Care of St. Louis, Inc.

In the above chart, the 1995 year end Missouri members of Principal Health Care of St. Louis, Inc. are included in the total for Principal Mutual Life Insurance Company.



# 1995 TOTAL MISSOURI HMO ENROLLMENT SHARES BY HOLDING COMPANY GROUP

Total 1995 Missouri Enrollment = 1,058,731



\* Indicates the affiliated HMOs' Missouri member figure excludes administrative service only (ASO) members and/or any other non-risk members.

\* Table representative of parent company and affiliates as of 08/96. In September of 1995, the Missouri Department of Insurance approved United HealthCare Corporation's (UHC's) purchase of MetraHealth Inc.'s Kansas City subsidiary while requiring UHC to sell MetraHealth Inc.'s St. Louis subsidiary.

# YEAR END TOTAL MISSOURI HMO ENROLLMENT<sup>^</sup>

## RANKED BY 1995 MARKET SHARE

	<u>Total Enrollment</u>		<u>Percentage Change</u>	<u>Rank 1995</u>	<u>Market Share</u>	
	<u>12/31/95</u>	<u>12/31/94</u>			<u>12/31/95</u>	<u>12/31/94</u>
*GenCare Health Systems, Inc.	196,303	182,944	7.3%	1	18.5%	17.3%
Physicians Health Plan of Greater St. Louis, Inc.	179,687	127,942	40.4%	2	17.0%	12.1%
Group Health Plan, Inc.	88,989	88,586	0.5%	3	8.4%	8.4%
Medical Center Health Plan, d/b/a Partners HMO	75,053	42,434	76.9%	4	7.1%	4.0%
*HMO Missouri, Inc., d/b/a BlueChoice	73,045	60,149	21.4%	5	6.9%	5.7%
Humana Kansas City, Inc.	67,372	57,418	17.3%	6	6.4%	5.4%
*Principal Health Care of Kansas City, Inc.	51,090	16,171	215.9%	7	4.8%	1.5%
*Prudential Health Care Plan, Inc.	49,661	26,685	86.1%	8	4.7%	2.5%
HealthCare USA of Missouri LLC	47,388	----	----	9	4.5%	----
Humana Health Plan, Inc.	41,050	6,123	570.4%	10	3.9%	0.6%
Principal Health Care of St. Louis, Inc.	32,027	28,489	12.4%	11	3.0%	2.7%
TriSource HealthCare, Inc., d/b/a Blue-Advantage	30,160	21,586	39.7%	12	2.8%	2.0%
Kaiser Foundation Health Plan of Kansas City, Inc.	26,980	27,853	-3.1%	13	2.5%	2.6%
Alliance for Community Health, Inc.	21,339	----	----	14	2.0%	----
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	16,872	14,028	20.3%	15	1.6%	1.3%
Truman Medical Center, Inc.	13,498	15,024	-10.2%	16	1.3%	1.4%
Mercy Health Plan of Missouri, Inc.	11,310	----	----	17	1.1%	----
HealthLink HMO, Inc.	9,082	5,263	72.6%	18	0.9%	0.5%
MetraHealth Care Plan of Kansas City, Inc.	6,014	4,106	46.5%	19	0.6%	0.4%
*CIGNA HealthCare of St. Louis, Inc.	5,224	5,485	-4.8%	20	0.5%	0.5%
Community Health Plan	4,435	----	----	21	0.4%	----
*CIGNA HealthCare of Kansas/Missouri, Inc.	3,828	3,720	2.9%	22	0.4%	0.4%
HealthNet, Inc.	3,505	1,570	123.2%	23	0.3%	0.1%
Exclusive Healthcare, Inc.	2,931	3,973	-26.2%	24	0.3%	0.4%
Citizens Advantage	1,888	1,675	12.7%	25	0.2%	0.2%
BMA Selectcare, Inc.	----	3,468	-100.0%	----	----	0.3%
Total Health Care	----	27,601	-100.0%	----	----	2.6%

### All HMOs

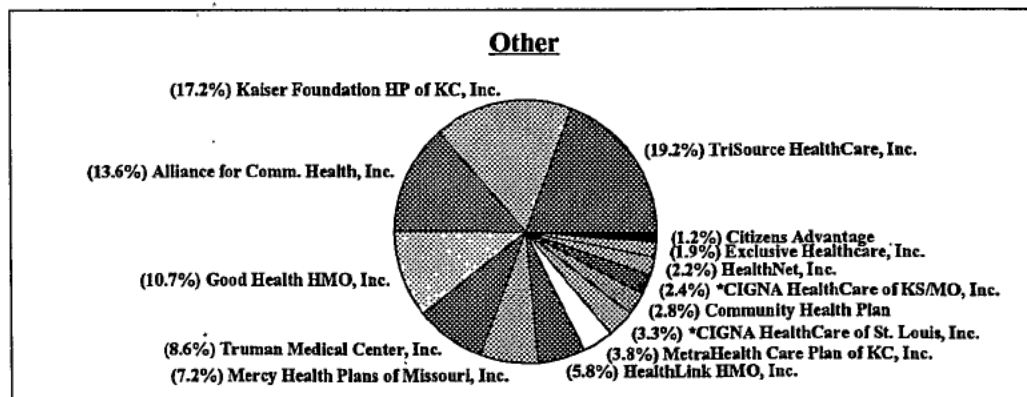
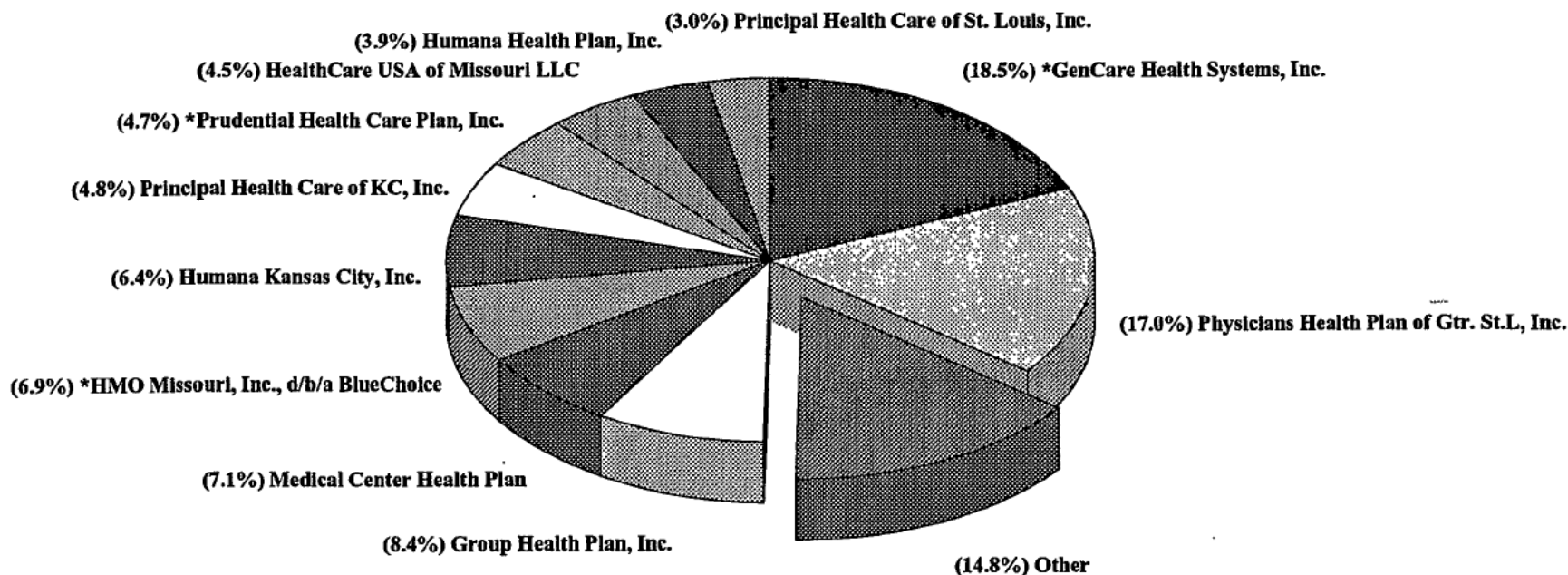
1,058,731      772,293      37.1%

<sup>^</sup> Note: Includes commercial (group & individual), Medicare, and Medicaid enrollment.

\* Indicates the HMO's Missouri member figure excludes administrative service only members and/or any other non-risk members.

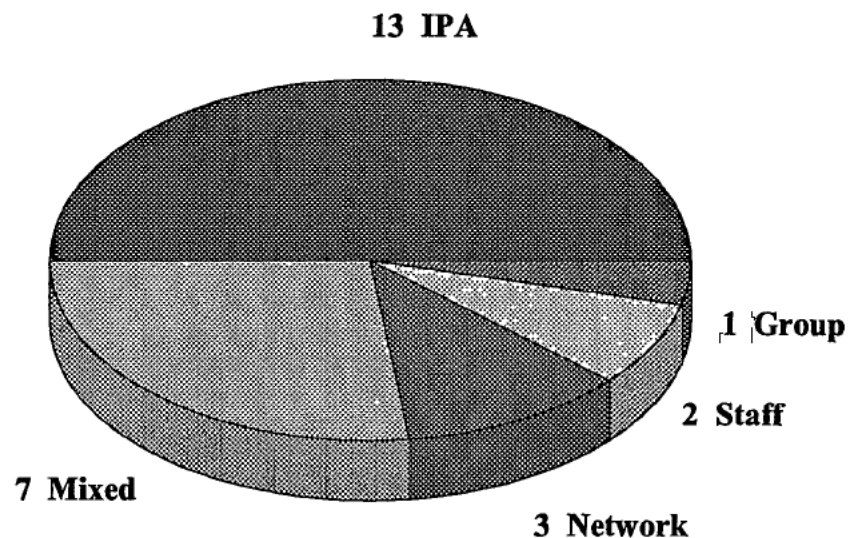
# 1995 TOTAL MISSOURI HMO ENROLLMENT SHARES BY HEALTH MAINTENANCE ORGANIZATION

Total 1995 Missouri Enrollment = 1,058,731



\* Indicates the HMO's Missouri member figure excludes administrative service only (ASO) members and/or other non-risk members.

## MODEL TYPES OPERATIONAL IN MISSOURI IN 1995



### MODEL TYPE DEFINITIONS

**IPA** - The Independent Practice/Physician Association model HMO contracts with physicians in solo practice, and/or with independent practice/physician associations who, in turn contract with their own member physicians. In many cases, the physicians in an IPA model HMO have a significant number of patients who are not HMO members.

**Mixed** - The Mixed model HMO is any combination of the model types described above.

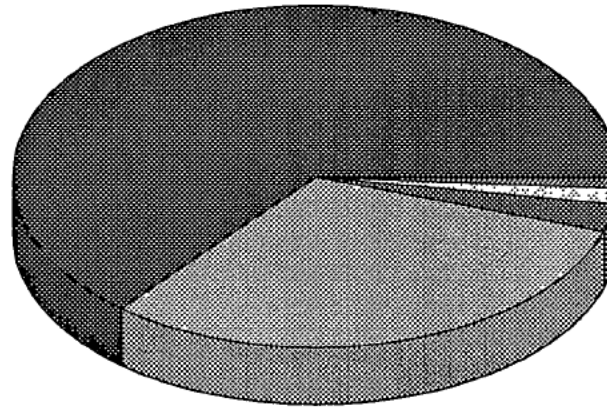
**Network** - The Network model HMO contracts with more than one medical group to provide services to its members.

**Staff** - The Staff model HMO employs physicians directly. The physicians are employees of the HMO, and deal exclusively with HMO members.

**Group** - The Group model HMO contracts with a single multi-specialty medical group to provide care to the HMO's membership. The group practice may work exclusively with the HMO, or it may provide services to non-HMO patients as well.

# 1995 MISSOURI ENROLLMENT BY MODEL TYPE

677,046 (63.9%) IPA



6,436 (1.0%) Network  
15,386 (1.5%) Staff  
26,980 (2.5%) Group

328,448 (31.0%) Mixed

Total 1995 Missouri Enrollment = 1,058,731

## Health Maintenance Organization

## Model Type

Alliance for Community Health, Inc.	IPA
BMA Selectcare, Inc.	IPA
CIGNA HealthCare of Kansas/Missouri, Inc.	Mixed
CIGNA HealthCare of St. Louis, Inc.	IPA
Citizens Advantage	Staff
Community Health Plan	Network
Exclusive Healthcare, Inc.	Network
GenCare Health Systems, Inc.	IPA
Good Health HMO, Inc., dba Blue-Care, Inc.	IPA
Group Health Plan, Inc.	Mixed
HealthCare USA of Missouri LLC	Mixed
HealthLink HMO, Inc.	IPA
HealthNet, Inc.	Network

## Health Maintenance Organization

## Model Type

HMO Missouri, Inc., dba BlueChoice	IPA
Humana Health Plan, Inc.	Mixed
Humana Kansas City, Inc.	Mixed
Kaiser Foundation Health Plan of Kansas City, Inc.	Group
Medical Center Health Plan, dba Partners HMO	IPA
Mercy Health Plans of Missouri, Inc.	IPA
MetraHealth Care Plan of Kansas City, Inc.	IPA
Physicians Health Plan of Greater St. Louis, Inc.	IPA
Principal Health Care of Kansas City, Inc.	IPA
Principal Health Care of St. Louis, Inc.	IPA
Prudential Health Care Plan, Inc.	Mixed
TriSource HealthCare, Inc., dba Blue-Advantage	Mixed
Truman Medical Center, Inc.	Staff





## HEALTH MAINTENANCE ORGANIZATIONS ENROLLMENT & UTILIZATION TRENDS

The tables and charts presented in this section provide information on changes in Missouri HMO enrollments and market shares from year end 1994 to year end 1995. This section also presents information on changes in general utilization measures from the year end 1994 to year end 1995. These utilization measures include the annualized average number of physician encounters per member per year, annualized average ambulatory encounters per member per year, and patient days incurred per 1,000 members for the year. An ambulatory encounter is defined as the provision of health service to an HMO member who is not confined to a health care institution. Ambulatory services are often referred to as "outpatient" services, as distinct from "inpatient" services. Physician encounters are defined as encounters for which only physicians provide health care services. Each measure of utilization is expressed as an annualized rate by dividing the respective total encounter measure for the year by the cumulative member month total, and then multiplying by twelve:

$$\frac{\text{Total Encounters}}{\text{Total Member Months}} * 12$$

Patient days incurred per 1,000 members is calculated by the same method, but the resulting ratio is then multiplied by 1,000.

To enable greater comparability of data, this section also separates enrollment and utilization by payment categories. Payment categories include: 1) Commercial, which includes group and individual members; 2) Medicare, which consists of individuals over age 64 who receive their Medicare coverage through an HMO; and 3) Medicaid, which consists of eligible individuals participating in Missouri Medicaid's *Managed Care Plus (MC+)* plan. In addition, two charts pertaining to the demographic composition (age & gender) of HMOs' commercial members have been included. These two charts provide for comparison of median ages and female/male enrollee percentages among HMOs. Additional detail on the demographic composition of an HMO's total enrollment is available in the profiles section in the second half of this report.

HMO utilization measures are tracked as indicators of a changing trend from inpatient to ambulatory health service provision. For HMOs providing utilization data for both 1994 and 1995, this trend is supported with an overall reduction of 12% in HMO commercial member inpatient days per 1,000 enrollees, from 262 to 229 days per 1,000 from 1994 to 1995. Over the same period these HMOs reported total ambulatory (outpatient) encounters for commercial members increased 18%, from 4.6 to 5.4 encounters per member per year. The trend towards reducing inpatient utilization in favor of outpatient services is also supported by the data pertaining to Medicare and Medicaid enrollments. Medicare HMO inpatient days per 1,000 enrollees decreased by 14%, while outpatient encounters increased by 6% from 1994 to 1995 for HMOs reporting data in both years. Medicaid HMO inpatient days per 1,000 enrollees decreased by 3%, while outpatient encounters increased by 14% from 1994 to 1995, although statistically significant results are not available given the considerable enrollment growth, and increase in the number of HMOs which began enrolling Medicaid eligibles in the third and fourth quarters of 1995.

# MISSOURI COMMERCIAL ENROLLMENT

	Commercial Enrollment		Percentage Change	Rank 1995	Market Share	
	12/31/95	12/31/94			12/31/95	12/31/94
BMA Selectcare, Inc.	----	3,468	----	----	----	0.4%
*CIGNA HealthCare of Kansas/Missouri, Inc.	3,828	3,720	2.9%	18	0.4%	0.4%
*CIGNA HealthCare of St. Louis, Inc.	5,224	5,485	-4.8%	16	0.6%	0.6%
Citizens Advantage	1,888	1,675	12.7%	22	0.2%	0.2%
Community Health Plan	4,435	----	----	17	0.5%	----
Exclusive Healthcare, Inc.	2,931	3,973	-26.2%	20	0.3%	0.5%
*GenCare Health Systems, Inc.	174,555	182,944	-4.6%	1	20.4%	21.3%
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	15,619	13,811	13.1%	13	1.8%	1.6%
Group Health Plan, Inc.	77,823	76,800	1.3%	3	9.1%	9.0%
HealthLink HMO, Inc.	9,082	5,263	72.6%	14	1.1%	0.6%
HealthNet, Inc.	3,505	1,570	123.2%	19	0.4%	0.2%
*HMO Missouri, Inc., d/b/a BlueChoice	69,091	60,149	14.9%	4	8.1%	7.0%
Humana Health Plan, Inc.	29,358	6,123	379.5%	11	3.4%	0.7%
Humana Kansas City, Inc.	59,455	51,765	14.9%	5	6.9%	----
Kaiser Foundation Health Plan of Kansas City, Inc.	26,250	27,278	-3.8%	12	3.1%	3.2%
Medical Center Health Plan, d/b/a Partners HMO	48,408	42,434	14.1%	7	5.6%	4.9%
Mercy Health Plan of Missouri, Inc.	2,865	----	----	21	0.3%	----
MetraHealth Care Plan of Kansas City, Inc.	6,014	4,106	46.5%	15	0.7%	----
Physicians Health Plan of Greater St. Louis, Inc.	171,087	126,200	35.6%	2	19.9%	14.7%
*Principal Health Care of Kansas City, Inc.	51,090	16,171	215.9%	6	6.0%	1.9%
Principal Health Care of St. Louis, Inc.	32,027	28,489	12.4%	9	3.7%	3.3%
*Prudential Health Care Plan, Inc.	32,914	26,685	23.3%	8	3.8%	3.1%
Total Health Care	----	13,336	----	----	----	1.6%
TriSource HealthCare, Inc., d/b/a Blue-Advantage	30,160	21,586	39.7%	10	3.5%	2.5%
<b>All HMOs</b>	<b>857,609</b>	<b>723,031</b>	<b>18.6%</b>			

\* Indicates the HMO's Missouri member figure excludes administrative service only members and/or any other non-risk members.

# MISSOURI COMMERCIAL MEMBERS UTILIZATION

	Physician Encounters Annualized		%	Ambulatory Encounters Annualized		%	Total Patient Days Per 1,000 Members		%
	12/31/95	12/31/94		12/31/95	12/31/94		12/31/95	12/31/94	
<i>BMA Selectcare, Inc.</i>	5.6	4.9	15.2%	6.3	5.0	25.1%	549.7	240.5	128.5%
<i>CIGNA HealthCare of Kansas/Missouri, Inc.</i>	3.9	4.5	-11.5%	4.9	5.7	-14.7%	253.5	295.3	-14.2%
CIGNA HealthCare of St. Louis, Inc.	0.7	1.1	-33.7%	0.9	1.4	-33.7%	265.6	387.1	-31.4%
Citizens Advantage	4.9	4.6	7.3%	6.1	5.4	12.7%	311.7	214.1	45.6%
Community Health Plan	3.7	-----	----	5.2	-----	----	207.7	-----	----
Exclusive Healthcare, Inc.	4.0	3.8	6.7%	6.7	6.7	-0.4%	240.9	220.9	9.1%
GenCare Health Systems, Inc.^*	2.3	-----	----	2.5	-----	----	204.4	242.5	-15.7%
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	4.4	4.7	-7.7%	4.6	4.9	-7.0%	158.6	137.9	15.0%
Group Health Plan, Inc.	2.1	1.8	13.3%	2.8	2.7	3.8%	238.6	246.4	-3.2%
HealthLink HMO, Inc.	1.0	1.1	-7.7%	1.8	2.0	-7.9%	130.6	137.3	-4.9%
<i>HealthNet, Inc.</i>	2.9	2.0	44.6%	2.9	2.0	44.6%	247.1	235.9	4.7%
HMO Missouri, Inc., d/b/a BlueChoice^*	2.8	-----	----	3.4	-----	----	228.1	282.3	-19.2%
Humana Health Plan, Inc.	4.5	2.4	83.8%	5.3	2.7	94.9%	218.2	259.4	-15.9%
Humana Kansas City, Inc.	4.5	4.1	8.7%	5.3	4.6	15.2%	241.7	254.6	-5.1%
<i>Kaiser Foundation Health Plan of Kansas City, Inc.</i>	3.6	3.8	-5.5%	4.7	4.5	4.7%	207.1	270.4	-23.4%
Medical Center Health Plan, d/b/a Partners HMO	4.4	5.5	-19.9%	8.5	7.8	9.4%	275.3	342.0	-19.5%
MetraHealth Care Plan of Kansas City, Inc.	3.6	4.0	-10.3%	3.9	4.3	-10.5%	236.3	265.0	-10.8%
Physicians Health Plan of Greater St. Louis, Inc.^	4.1	-----	----	4.1	-----	----	225.2	262.9	-14.3%
Principal Health Care of Kansas City, Inc.	9.2	8.5	7.2%	9.6	8.8	8.3%	200.1	218.9	-8.6%
Principal Health Care of St. Louis, Inc.	3.9	3.8	0.8%	4.3	4.3	-1.4%	317.1	383.1	-17.2%
Prudential Health Care Plan, Inc.	3.4	2.7	27.8%	4.6	3.8	22.8%	244.0	252.0	-3.2%
<i>Total Health Care</i>	-----	5.0	----	-----	5.2	----	-----	201.6	----
TriSource HealthCare, Inc., d/b/a Blue-Advantage	6.1	4.0	52.0%	6.6	4.4	49.1%	274.3	234.0	17.2%
<b>HMOs Reporting Both Years</b>	<b>4.3</b>	<b>3.8</b>	<b>15.0%</b>	<b>5.4</b>	<b>4.6</b>	<b>17.7%</b>	<b>229.3</b>	<b>261.7</b>	<b>-12.4%</b>

Note: Data for companies in italics includes the experience of members residing in the state of Kansas.

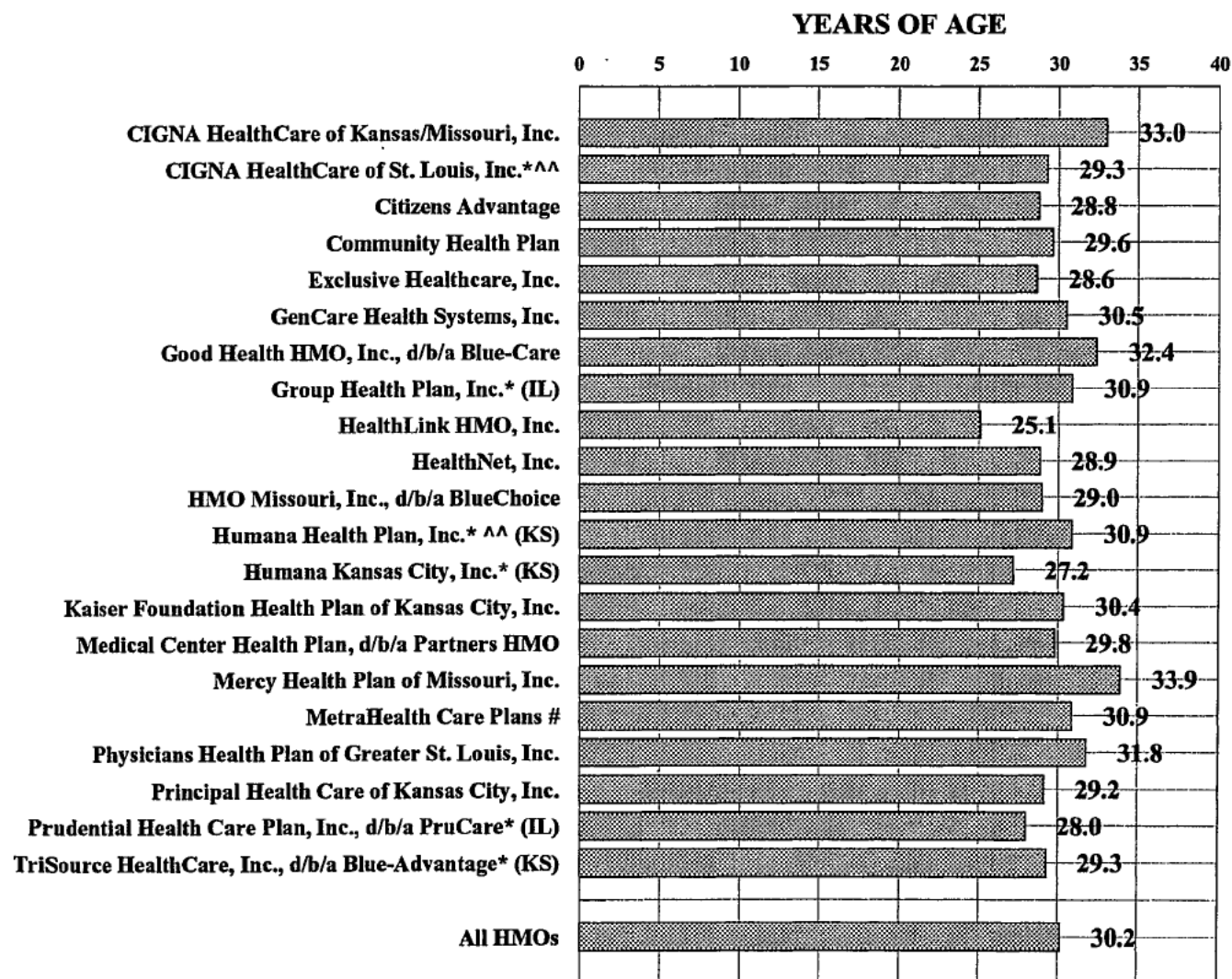
^ Indicates encounter data provided to Missouri Consolidated Health Care Plan by HMOs submitting GHAA reports.

\* Indicates calculated ratios based on the Annual Supplement filing data which excludes ASO member months.

All data, unless indicated otherwise, are based on the Premiums, Enrollment and Utilization Table in the Annual Statement.

# 1995 MISSOURI COMMERCIAL ENROLLMENT DEMOGRAPHICS

## Average Age of Enrollees



\*Data includes demographics for HMO enrollees residing in states other than Missouri (e.g. KS or IL).

\*\*Demographic data were collected by 5 year age bands (i.e. 25-29, 30-34, etc.). The midpoint of each age band was utilized as the average age for members in each band.

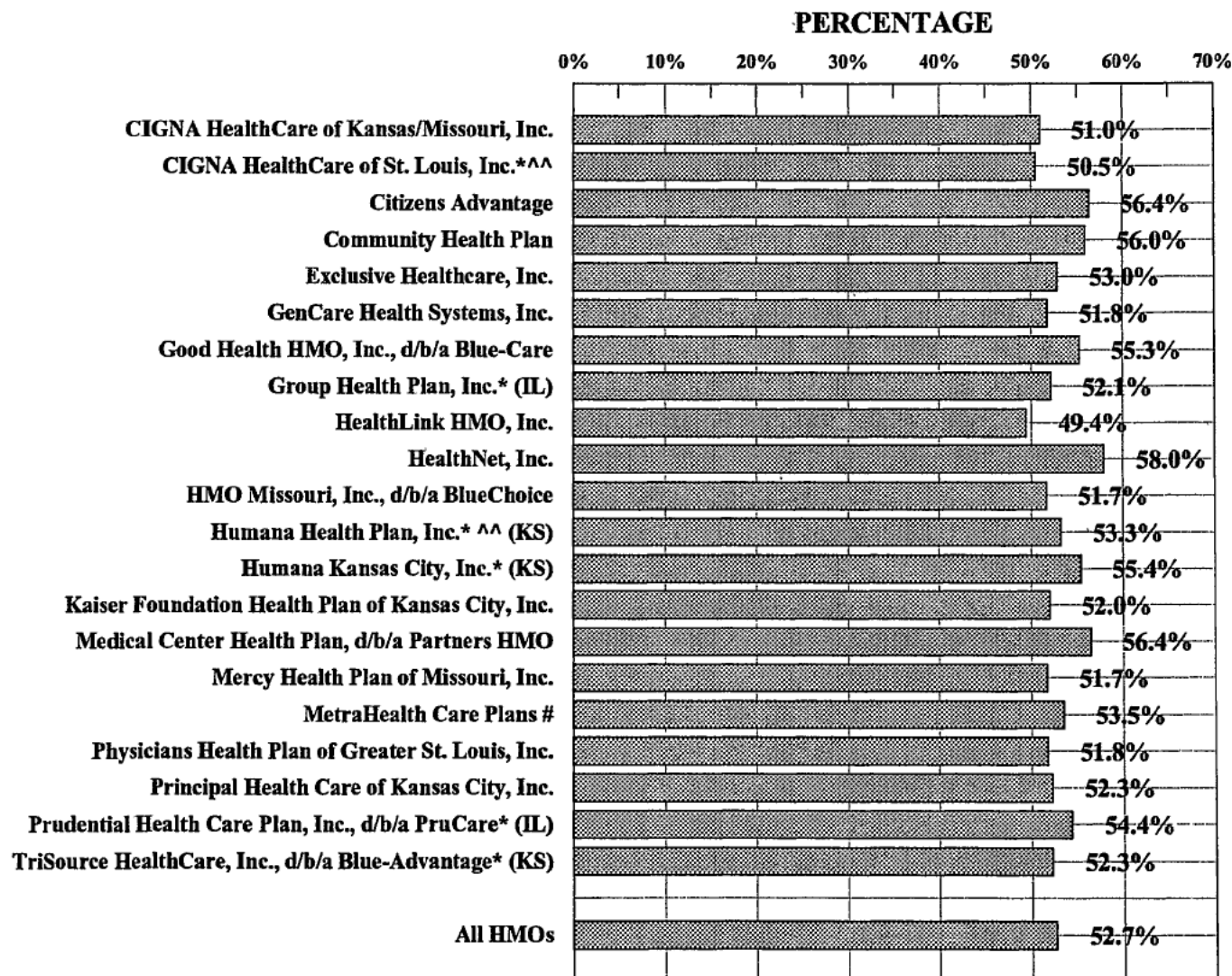
# Demographic data were combined for the two MetraHealth HMOs (MetraHealth Care Plan of Kansas City and MetraHealth Care Plan of St. Louis) active at year end 1995.

^^Data includes enrollment classified as administrative service only (ASO) members.

For additional demographic information on an HMOs' year end 1995 enrollment, refer to the profile section in the second half of the report.

# 1995 MISSOURI COMMERCIAL ENROLLMENT DEMOGRAPHICS

## Percentage of Female Enrollees



\*Data includes demographics for HMO enrollees residing in states other than Missouri (e.g. KS or IL).

# Demographic data were combined for the two MetraHealth HMOs (MetraHealth Care Plan of Kansas City and MetraHealth Care Plan of St. Louis) active at year end 1995.

^^Data includes enrollment classified as administrative service only (ASO) members.

For additional demographic information on an HMOs' year end 1995 enrollment, refer to the profile section in the second half of the report.

## MISSOURI MEDICARE ENROLLMENT

	<u>Medicare Enrollment</u>		<u>Percentage Change</u>	<u>Rank 1995</u>	<u>Market Share</u>	
	<u>12/31/95</u>	<u>12/31/94</u>			<u>12/31/95</u>	<u>12/31/94</u>
GenCare Health Systems, Inc.	2,364	----	----	5	6.7%	----
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	1,253	217	477.4%	6	3.5%	0.6%
Group Health Plan, Inc. - (Cost)	10,896	11,786	-7.6%	1	30.8%	33.3%
Group Health Plan, Inc. - (Risk)	270	----	----	8	0.8%	----
HMO Missouri, Inc., d/b/a BlueChoice	3,954	----	----	4	11.2%	----
Humana Kansas City, Inc.	7,359	5,653	30.2%	3	20.8%	16.0%
Kaiser Foundation Health Plan of Kansas City, Inc.	730	575	27.0%	7	2.1%	1.6%
Physicians Health Plan of Greater St. Louis, Inc.	8,600	1,742	393.7%	2	24.3%	4.9%
Total Health Care	----	4,000	----	----	----	11.3%
 All HMOs	 35,426	 23,973	 47.8%			

**Medicare HMO enrollment is divided into two categories:  
Medicare Risk and Medicare Cost.**

Medicare risk members are those enrolled in an HMO plan which contracts with the Health Care Financing Administration (HCFA). The HMO accepts financial responsibility for utilization with payment made to the HMO on a capitated basis. Under the contract the enrollee must use the HMO's network of providers.

Medicare cost members are those enrolled in an HMO plan which contracts with HCFA to provide services and is reimbursed through interim monthly payments. The HMO accepts only limited risk on utilization within the plan. The enrollee may use providers outside the provider network of the HMO.

100% of Kaiser Foundation Health Plan of Kansas City's and 98% of Group Health Plan's year end 1995 Missouri Medicare enrollment are distinguished from the rest as Medicare cost plan participants.



# MISSOURI MEDICARE MEMBERS UTILIZATION

	Physician Encounters			Ambulatory Encounters			Total Patient Days		
	Annualized		% Change	Annualized		% Change	Per 1,000 Members		% Change
	12/31/95^	12/31/94		12/31/95^	12/31/94		12/31/95^	12/31/94	
<i>Good Health HMO, Inc., d/b/a Blue-Care, Inc.</i>	10.4	7.6	36.8%	10.6	7.8	35.8%	1,163	851	36.8%
Group Health Plan, Inc. - (Cost)	6.5	5.9	10.7%	9.3	9.1	1.9%	1,916	1,902	0.8%
Group Health Plan, Inc. - (Risk)	8.9	----	----	13.0	----	----	974	----	----
HMO Missouri, Inc., d/b/a BlueChoice	N/A	----	----	N/A	----	----	1,188	----	----
Humana Kansas City, Inc.	11.7	7.3	60.0%	13.2	8.1	62.4%	1,444	1,386	4.2%
<i>Kaiser Foundation Health Plan of Kansas City, Inc</i>	6.3	6.8	-6.7%	8.2	7.5	9.2%	503	N/A	----
Physicians Health Plan of Greater St. Louis, Inc.	N/A	N/A	----	N/A	N/A	----	1,453	1,459	-0.4%
<i>Total Health Care</i>	----	6.8	----	----	13.5	----	----	2,257	----
<b>All HMOs Listed Above</b>	<b>8.2</b>	<b>7.6</b>	<b>7.2%</b>	<b>10.4</b>	<b>9.8</b>	<b>5.8%</b>	<b>1,606</b>	<b>1,859</b>	<b>-13.6%</b>
<b>HMOs Reporting Both Years</b>	<b>8.2</b>	<b>6.3</b>	<b>29.4%</b>	<b>10.4</b>	<b>8.7</b>	<b>19.1%</b>	<b>1,690</b>	<b>1,734</b>	<b>-2.5%</b>

^Good Health HMO, Inc., d/b/a Blue-Care data as of 09/30/95 instead of 12/31/95.

Data for HMOs in italics include the experience of Medicare members residing in the state of Kansas.

All data are based on the Premiums, Enrollment and Utilization Table in the Annual Statements.

## MISSOURI MEDICAID ENROLLMENT

	<u>Medicaid Enrollment</u>		<u>Percentage Change</u>	<u>Rank 1995</u>	<u>Market Share</u>	
	<u>12/31/95</u>	<u>12/31/94</u>			<u>12/31/95</u>	<u>12/31/94</u>
Alliance for Community Health, Inc., d/b/a Community Care	21,339	----	----	3	12.9%	----
GenCare Health Systems, Inc.	19,384	----	----	4	11.7%	----
Healthcare USA of Missouri LLC	47,388	----	----	1	28.6%	----
Humana Health Plan, Inc.	11,692	----	----	7	7.1%	----
Humana Kansas City, Inc.	558	----	----	9	0.3%	----
Medical Center Health Plan, d/b/a Partners HMO	26,645			2	16.1%	
Mercy Health Plans of Missouri, Inc., d/b/a Premier Health Plans	8,445	----	----	8	5.1%	----
Prudential Health Care Plan, Inc., d/b/a PruCare	16,747	----	----	5	10.1%	----
Total Health Care	----	10,265	----	----	----	40.6%
Truman Medical Center, Inc.	13,498	15,024	-10.2%	6	8.1%	59.4%
<b>All HMOs</b>	<b>165,696</b>	<b>25,289</b>	<b>555.2%</b>			

### Missouri Medicaid HMO Enrollment:

Medicaid is a health care provider for low-income people. Medicaid HMO enrollment information represents members enrolled under a prepaid contract between an HMO and the Missouri Department of Social Services, Division of Medical Services, the state agency administering medical assistance under a state plan approved under Title XIX of the Social Security Act. In the second half of 1995, the state implemented a mandatory managed care program in St. Louis that transferred the operation of Medicaid to managed care groups including health maintenance organizations. Called Managed Care Plus, or MC+, the plan has since expanded to the Kansas City and Mid-Missouri areas. It is predicted that by 1997 approximately 60% of the Missouri Medicaid population will be covered by an HMO. The MC+ plan covers Medicaid recipients who receive Aid to Families with Dependent Children, low-income pregnant women and children, and children in legal custody of the state. Excluded from the plan are Medicaid recipients who are elderly people, those eligible for both Medicare and Medicaid, people in nursing homes or other institutions, and persons living in geographic areas where HMOs are not available.

# MISSOURI MEDICAID MEMBERS UTILIZATION

	Physician Encounters			Ambulatory Encounters			Total Patient Days		
	Annualized		% Change	Annualized		% Change	Per 1,000 Members		% Change
	12/31/95	12/31/94		12/31/95	12/31/94		12/31/95	12/31/94	
Alliance for Community Health, Inc.	1.2	----	----	2.9	----	----	387	----	----
Healthcare USA of Missouri LLC	2.8	----	----	2.8	----	----	328	----	----
Humana Health Plan, Inc.	1.1	----	----	1.3	----	----	187	----	----
Humana Kansas City, Inc.	6.1*	----	----	7.4*	----	----	261	----	----
Prudential Health Care Plan, Inc.	1.4	----	----	1.5	----	----	246	----	----
Total Health Care	----	3.0	----	----	3.1	----	----	159	----
Truman Medical Center, Inc.	2.2	1.4	57.1%	2.2	1.4	57.1%	519	544	-4.6%
<b>All HMOs Listed Above</b>	<b>2.1</b>	<b>2.0</b>	<b>5.0%</b>	<b>2.4</b>	<b>2.1</b>	<b>14.3%</b>	<b>381</b>	<b>393</b>	<b>-3.1%</b>

\*The encounter statistics for Humana Kansas City may be skewed by the relatively small sample size (see previous page).

Humana Kansas City's statistics as of 09/30/96 indicate 2.4 and 3.2 annualized physician and ambulatory encounters respectively.

All data are based on the Premiums, Enrollment and Utilization Table in the Annual Statements.

GenCare Health Systems, Medical Center Health Plan, and Mercy Health Plans of Missouri did not complete the Medicaid utilization portion of the table.

## HEALTH MAINTENANCE ORGANIZATION FINANCIAL INFORMATION

The following tables and charts within this section describe the financial operations of the health maintenance organizations licensed and active in the state of Missouri in 1995.

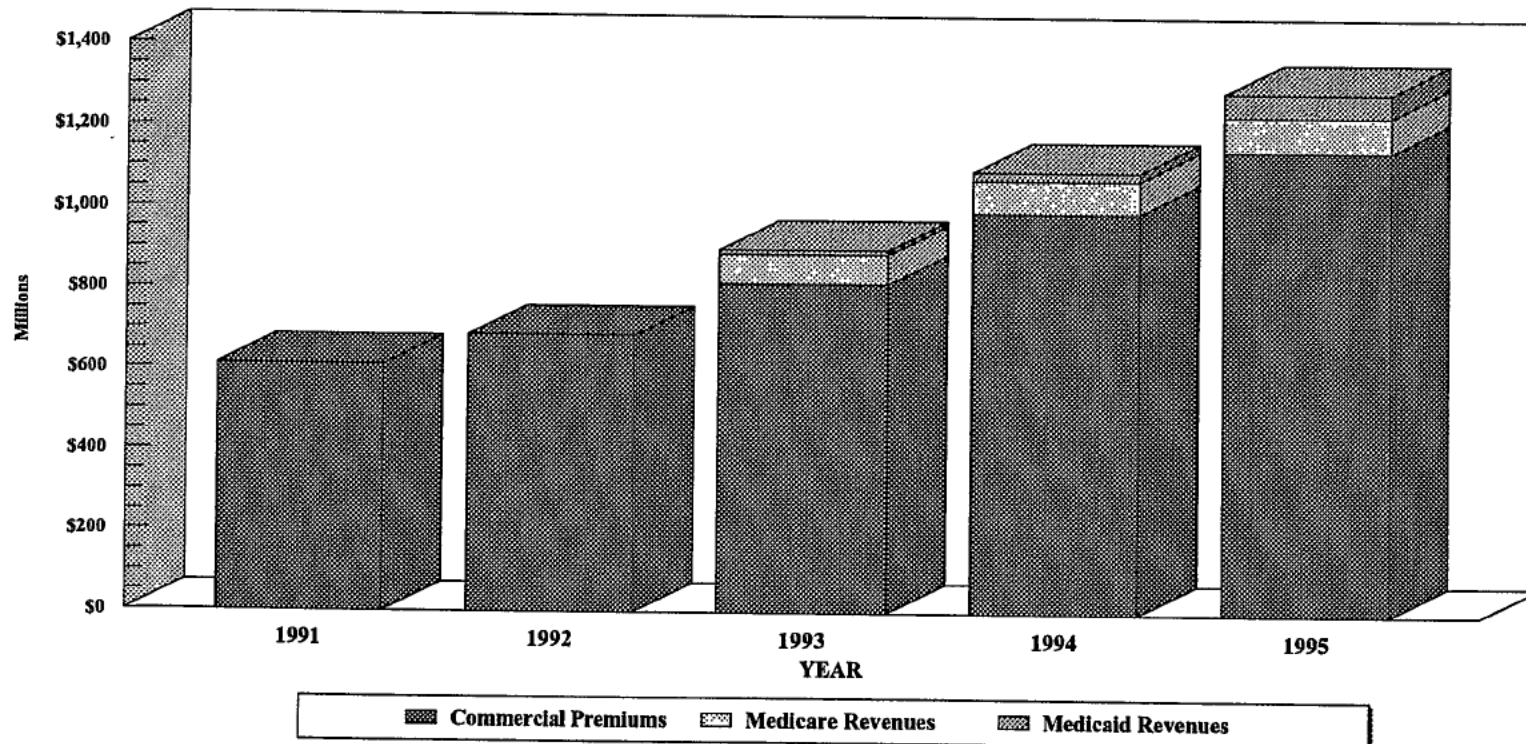
The first portion of the section pertains to the HMOs' Missouri market activities including: 1) total Missouri premium composition by payment category (commercial premiums, Medicare and Medicaid revenues) from 1991 to 1995; 2) Missouri market shares by HMO and holding company group; 3) commercial premiums per member per month (PMPM); and 4) complaint indices based on consumer complaints filed with the Missouri Department of Insurance. Commercial premium (group and individual contracts), Medicare, and Medicaid revenues are revenues recorded on a prepaid basis for the provision of contracted health services.

The second half of this section focuses on the HMOs' nationwide 1995 business experience, including results of Missouri operations. This second half illustrates the balance sheet and income statements of Missouri-licensed HMOs, along with detail tables showing the composition of total 1995 revenues and expenses as reported in the HMOs' 1995 annual statements, and 1995 revisions indicated in 1996 quarterly statements. Due to the consolidation of hospital and HMO financial data on annual statements for Citizens Advantage (Citizens Memorial Hospital) and Truman Medical Center, these two entities' data are set out separately.

In addition to the previously mentioned tables, the nationwide operations section also contains three tables which depict the business experience of the HMOs, as measured by a number of financial ratios, indicating the relative liquidity, efficiency, and performance of each HMO. Included in these indicators is the medical loss ratio which is commonly tracked as a measure of an HMO's health care expense management. Note that these ratios and indicators are dependent upon the model type, length of time in operation, and the accounting practices of an HMO. Where possible, adjustments have been made (and noted) in an effort to maintain data comparability. Though these ratios and indicators have been commonly accepted and often referred to in various industry analyses, no benchmarks or target values are referenced. The values shown for any one HMO, relative to another, is not meant to be interpreted, in any form, as an endorsement by the Missouri Department of Insurance. The information is intended to serve only as a basis for comparison, using commonly accepted industry measures.

# YEAR END MISSOURI PREMIUM RELATED REVENUE TOTALS

## COMMERCIAL (Group & Individual) PREMIUMS, MEDICARE and MEDICAID REVENUES



### Missouri Premium Related Revenue Totals and % Changes

	1991	1992	% Change (1991-92)	1993	% Change (1992-93)	1994	% Change (1993-94)	1995	% Change (1994-95)
Medicaid Revenue	N/A	N/A	-----	\$10,925,666	-----	\$20,124,614	84%	\$56,643,192	181%
Medicare Revenue	N/A	N/A	-----	\$72,662,966	-----	\$79,954,535	10%	\$87,010,170	9%
Commercial Premium	\$611,938,662	\$686,349,423	12%	\$815,994,131	19%	\$993,290,034	22%	\$1,145,715,683	15%
Total Premiums/Revenues	\$611,938,662	\$686,349,423	12%	\$899,582,763	31%	\$1,093,369,183	22%	\$1,289,369,045	18%

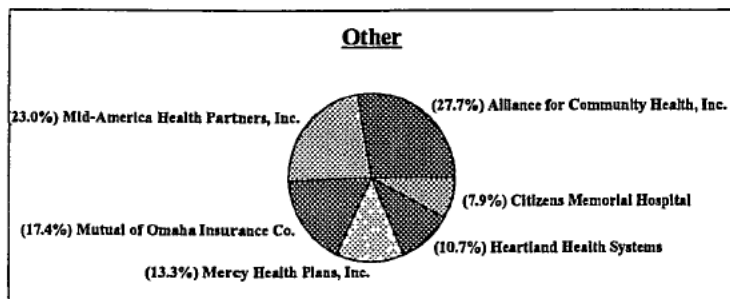
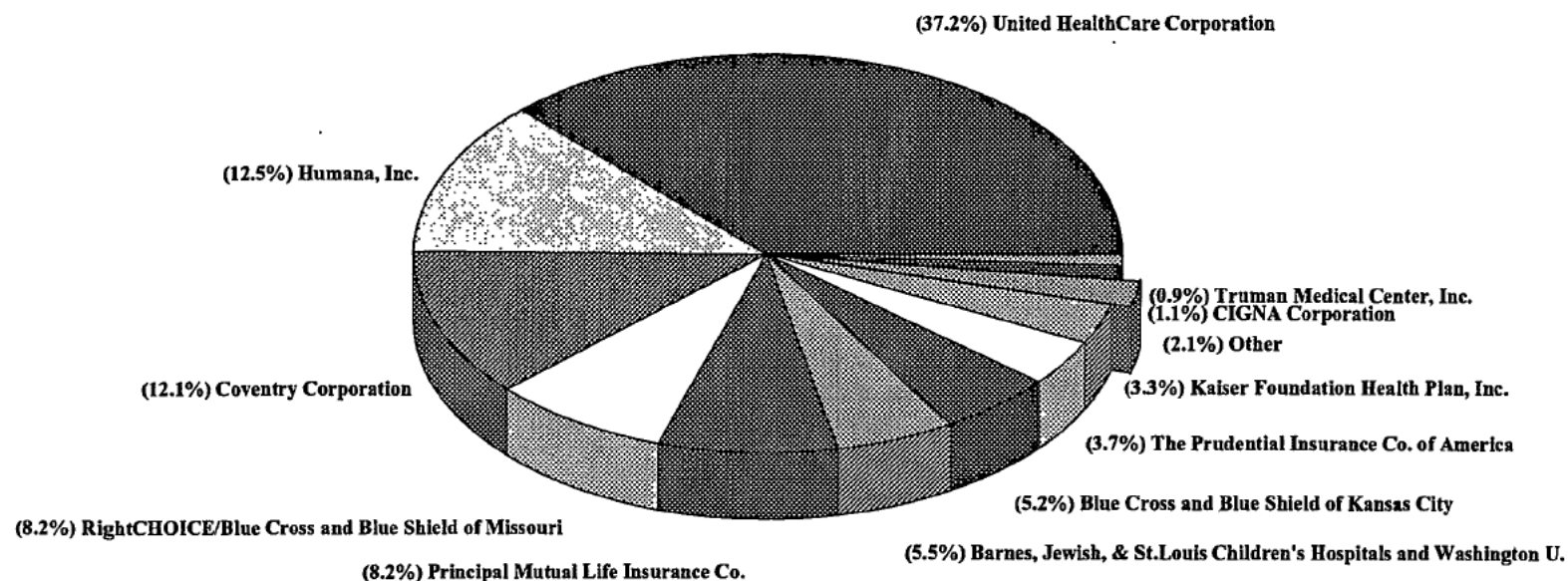
Formula for calculating % changes = (Current Year Total - Previous Year Total) / Previous Year Total

Note: The % change in Missouri premium related revenue totals may be significantly different than the % change in Missouri year end member totals shown on page 15. Year end Missouri premium related revenue totals are amounts accumulated throughout the entire year, whereas Missouri member year end totals represent a number as of December 31 of that year. For example, the relatively large 555% increase in Medicaid enrollees from 1994 to 1995, indicated on page 15, corresponds to only a 181% increase in Medicaid revenue since nearly all of the increase in Medicaid membership occurred during the 3rd and 4th quarters of 1995.

# 1995 MISSOURI HMO MARKET SHARES

## TOTAL MISSOURI PREMIUM RELATED REVENUE SHARES BY HOLDING COMPANY GROUP

Total 1995 Missouri Premium = \$1,289,369,045



### Ultimate Parent: HMO Affiliate(s)

**United HealthCare Corporation:** GenCare Health Systems, Inc.; Physicians Health Plan of Greater St. Louis, Inc.; Metrol Health Care Plan of KC, Inc.

**Humana Inc.:** Humana Kansas City, Inc.; Human Health Plan, Inc.

**Coventry Corporation:** Group Health Plan, Inc.; Healthcare USA of Missouri LLC

**RightCHOICE/Blue Cross and Blue Shield of Missouri:** HMO Missouri, Inc.; d/b/a BlueChoice; HealthLink HMO, Inc.

**Principal Mutual Life Insurance Co.:** Principal Health Care of Kansas City, Inc.; Principal Health Care of St. Louis, Inc.

**Blue Cross and Blue Shield of Kansas City:** TriSource HealthCare, Inc.; d/b/a Blue-Advantage; Good Health HMO, Inc.; d/b/a Blue-Care; BMA Selectcare, Inc.

**Barnes, Jewish, & St. Louis Children's Hospitals, and Washington U.:** Medical Center Health Plan d/b/a Partners HMO

**The Prudential Insurance Co. of America:** Prudential Health Care Plan, Inc.; d/b/a PruCare

**Kaiser Foundation Health Plan, Inc.:** Kaiser Foundation Health Plan of Kansas City, Inc.

**CIGNA Corporation:** CIGNA Healthcare of St. Louis, Inc.; CIGNA Healthcare of KS/MO, Inc.

**Truman Medical Center, Inc.:** Truman Medical Center, Inc.

**Alliance for Community Health, Inc.:** Alliance for Community Health, Inc.

**Mid-America Health Partners, Inc.:** HealthNet, Inc.

**Mutual of Omaha Insurance Co.:** Exclusive Healthcare, Inc.

**Mercy Health Plans, Inc.:** Mercy Health Plans of Missouri, Inc.

**Heartland Health System:** Community Health Plan

**Citizens Memorial Hospital:** Citizens Advantage



# 1995 MISSOURI HMO MARKET SHARES

## TOTAL MISSOURI PREMIUM RELATED REVENUE SHARES BY HOLDING COMPANY GROUP\*

Holding Company / Ultimate Parent	1995 Missouri Market Share	Missouri Commercial Premiums	Missouri Medicare Revenue	Missouri Medicaid Revenue	Total MO Premium Related Revenues	% Change in Total Premium Related Revenues (1994-95)**
United HealthCare Corporation	37.23%	\$450,412,271	\$23,920,211	\$5,653,885	\$479,986,367	27.6%
Humana, Inc.	12.53%	\$125,243,954	\$33,282,580	\$3,043,482	\$161,570,016	36.2%
Coventry Corporation	12.09%	\$126,002,106	\$15,551,812	\$14,344,551	\$155,898,469	7.5%
RightCHOICE / Blue Cross and Blue Shield of Missouri	8.23%	\$98,357,237	\$7,705,903	\$0	\$106,063,140	12.5%
Principal Mutual Life Insurance Co.	8.15%	\$105,087,304	\$0	\$0	\$105,087,304	49.7%
Barnes, Jewish, & St. Louis Children's Hospitals and Washington U.	5.46%	\$62,063,940	\$0	\$8,356,617	\$70,420,557	17.2%
Blue Cross and Blue Shield of Kansas City	5.22%	\$61,703,139	\$5,632,014	\$0	\$67,335,153	-41.9% (24%**)
The Prudential Insurance Co. of America	3.74%	\$44,746,386	\$0	\$3,510,770	\$48,257,156	37.6%
Kaiser Foundation Health Plan, Inc.	3.28%	\$41,371,376	\$917,650	\$0	\$42,289,026	-1.0%
CIGNA Corporation	1.07%	\$13,856,970	\$0	\$0	\$13,856,970	-8.9%
Truman Medical Center, Inc.	0.92%	\$0	\$0	\$11,817,558	\$11,817,558	-2.0%
Alliance for Community Health, Inc.	0.58%	\$0	\$0	\$7,414,694	\$7,414,694	-----
Mid-America Health Partners, Inc.	0.48%	\$6,170,100	\$0	\$0	\$6,170,100	192.0%
Mutual of Omaha Insurance Co.	0.36%	\$4,666,539	\$0	\$0	\$4,666,539	-9.3%
Mercy Health Plans, Inc.	0.28%	\$1,071,513	\$0	\$2,501,635	\$3,573,148	-----
Heartland Health Systems	0.22%	\$2,853,285	\$0	\$0	\$2,853,285	-----
Citizens Memorial Hospital	0.16%	\$2,109,563	\$0	\$0	\$2,109,563	91.0%
<b>Totals</b>		<b>\$1,145,715,683</b>	<b>\$87,010,170</b>	<b>\$56,643,192</b>	<b>\$1,289,369,045</b>	<b>17.9% (25%**)</b>

Note: Market shares based on the holding company's percentage of total 1995 Missouri premiums as reported in the HMO subsidiaries' 1995 Annual Statements, Schedule N.

\* Table representative of parent company and affiliates as of 08/96. In September of 1995, the Missouri Department of Insurance approved United HealthCare Corporation's (UHC's) purchase of MetraHealth Inc.'s Kansas City subsidiary while requiring UHC to sell MetraHealth Inc.'s St. Louis subsidiary.

In March of 1996, MetraHealth Care Plan of St. Louis, Inc. was sold to Principal Mutual Life Insurance Company and renamed Principal Health Care of St. Louis, Inc.

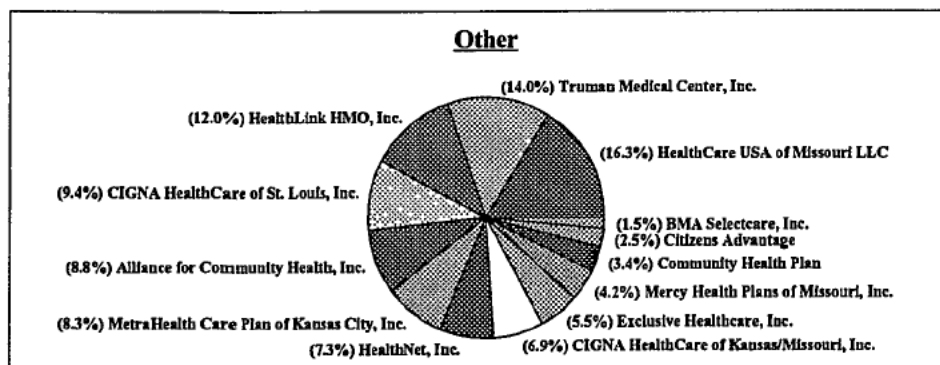
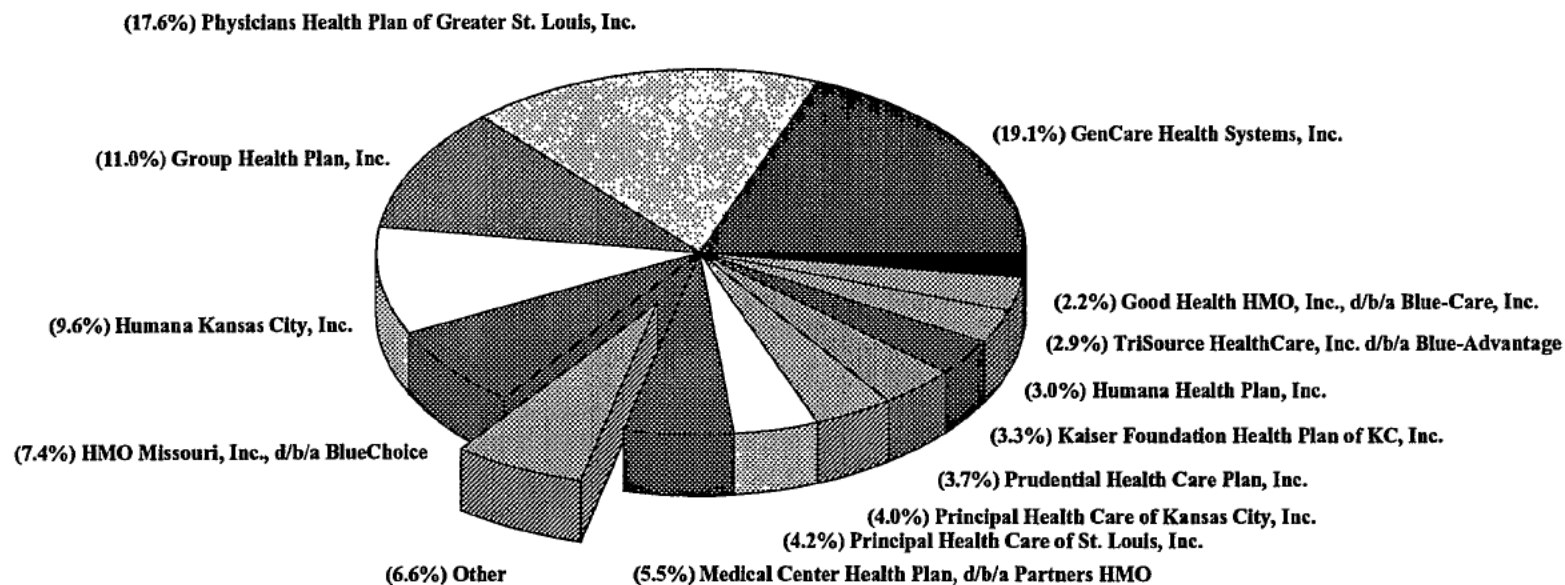
In the above chart, the 1995 Missouri premium total of Principal Health Care of St. Louis, Inc. is included in the total for Principal Mutual Life Insurance Company.

\*\*The % change shown in parentheses excludes Total Health Care, Inc.'s 1994 Missouri premium total of \$61,552,109. The former affiliate of Blue Cross and Blue Shield of Kansas City relinquished its certificate of authority to operate as an HMO in 1995, and was reorganized as a product line of the parent company.

# 1995 MISSOURI HMO MARKET SHARES

## TOTAL MISSOURI PREMIUM RELATED REVENUE SHARES BY HMO

Total 1995 Missouri Premium = \$1,289,369,045



# 1995 MISSOURI HMO MARKET SHARES

## TOTAL MISSOURI PREMIUM RELATED REVENUE SHARES BY HMO

	Missouri Market Share	Missouri Commercial Premiums	Missouri Medicare Revenue	Missouri Medicaid Revenue	Total MO Premium Related Revenues	% Change in Premium Related Revenues (1994-95)
GenCare Health Systems, Inc.	19.12%	\$236,078,250	\$4,819,454	\$5,653,885	\$246,551,589	11.5%
Physicians Health Plan of Greater St. Louis, Inc.	17.56%	\$207,313,205	\$19,100,757	\$0	\$226,413,962	51.8%
Group Health Plan, Inc.	11.02%	\$126,002,106	\$15,551,812	\$593,883	\$142,147,801	-1.9%
Humana Kansas City, Inc.	9.57%	\$90,004,760	\$33,282,580	\$74,424	\$123,361,764	9.1%
HMO Missouri, Inc., d/b/a BlueChoice	7.44%	\$88,226,542	\$7,705,903	\$0	\$95,932,445	6.5%
Medical Center Health Plan, d/b/a Partners HMO	5.46%	\$62,063,940	\$0	\$8,356,617	\$70,420,557	17.18%
Principal Health Care of St. Louis, Inc.	4.16%	\$53,619,520	\$0	\$0	\$53,619,520	16.1%
Principal Health Care of Kansas City, Inc.	3.99%	\$51,467,784	\$0	\$0	\$51,467,784	114.5%
Prudential Health Care Plan, Inc., d/b/a PruCare	3.74%	\$44,746,386	\$0	\$3,510,770	\$48,257,156	37.6%
Kaiser Foundation Health Plan of Kansas City, Inc.	3.28%	\$41,371,376	\$917,650	\$0	\$42,289,026	-1.0%
Humana Health Plan, Inc.	2.96%	\$35,239,194	\$0	\$2,969,058	\$38,208,252	587.0%
TriSource HealthCare, Inc., d/b/a Blue-Advantage	2.94%	\$37,868,840	\$0	\$0	\$37,868,840	30.0%
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	2.19%	\$22,588,031	\$5,632,014	\$0	\$28,220,045	27.0%
HealthCare USA of Missouri LLC	1.07%	\$0	\$0	\$13,750,668	\$13,750,668	-----
Truman Medical Center, Inc.	0.92%	\$0	\$0	\$11,817,558	\$11,817,558	-2.0%
HealthLink HMO, Inc.	0.79%	\$10,130,695	\$0	\$0	\$10,130,695	143.0%
CIGNA HealthCare of St. Louis, Inc.	0.62%	\$7,994,850	\$0	\$0	\$7,994,850	-12.0%
Alliance for Community Health, Inc.	0.58%	\$0	\$0	\$7,414,694	\$7,414,694	-----
MetraHealth Care Plan of Kansas City, Inc.	0.54%	\$7,020,816	\$0	\$0	\$7,020,816	22.7%
HealthNet, Inc.	0.48%	\$6,170,100	\$0	\$0	\$6,170,100	192.0%
CIGNA HealthCare of Kansas/Missouri, Inc.	0.45%	\$5,862,120	\$0	\$0	\$5,862,120	-4.2%
Exclusive Healthcare, Inc.	0.36%	\$4,666,539	\$0	\$0	\$4,666,539	-9.3%
Mercy Health Plans of Missouri, Inc.	0.28%	\$1,071,513	\$0	\$2,501,635	\$3,573,148	-----
Community Health Plan	0.22%	\$2,853,285	\$0	\$0	\$2,853,285	-----
Citizens Advantage	0.16%	\$2,109,563	\$0	\$0	\$2,109,563	91.0%
BMA Selectcare, Inc.	0.10%	\$1,246,268	\$0	\$0	\$1,246,268	-57.5%
<b>ALL HMOs</b>		<b>\$1,145,715,683</b>	<b>\$87,010,170</b>	<b>\$56,643,192</b>	<b>\$1,289,369,045</b>	<b>17.9%</b>

**Note:** Market shares based on an HMO's percentage of total Missouri premium related revenues, as reported in Schedule N of the annual statements.

# MISSOURI COMMERCIAL PREMIUMS / PREMIUMS PMPM

	Commercial Premiums Per Member Per Month		Percentage Change	Commercial Premiums Earned		Percentage Change
	12/31/95	12/31/94		12/31/95	12/31/94	
<i>BMA Selectcare, Inc.</i>	\$116.19	\$100.91	15.1%	\$4,446,159	\$8,507,786	-47.7%
CIGNA HealthCare of Kansas/Missouri, Inc.^	\$149.40	\$101.56	47.1%	\$5,862,120	\$6,119,588	-4.2%
CIGNA HealthCare of St. Louis, Inc.^	\$132.81	\$136.18	-2.5%	\$8,064,040	\$9,083,850	-11.2%
Citizens Advantage	\$95.63	\$86.43	10.6%	\$2,109,563	\$1,104,749	91.0%
Community Health Plan	\$107.59	----	----	\$2,853,285	----	----
Exclusive Healthcare, Inc.	\$114.34	\$120.58	-5.2%	\$4,755,192	\$5,142,646	-7.5%
**GenCare Health Systems, Inc.^	\$112.12	\$109.30	2.6%	\$241,553,636	\$221,193,136	9.2%
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	\$134.48	\$122.18	10.1%	\$22,854,227	\$21,877,390	4.5%
**Group Health Plan, Inc.	\$118.52	\$134.98	-12.2%	\$125,575,308	\$121,641,588	3.2%
HealthLink HMO, Inc.	\$111.97	\$115.42	-3.0%	\$10,130,695	\$4,169,520	143.0%
<i>HealthNet, Inc.</i>	\$129.33	\$123.34	4.9%	\$10,276,189	\$6,022,427	70.6%
**HMO Missouri, Inc., d/b/a BlueChoice^	\$115.46	\$133.43	-13.5%	\$92,597,089	\$90,082,900	2.8%
Humana Health Plan, Inc.	\$114.75	\$114.30	0.4%	\$35,239,194	\$5,561,712	533.6%
Humana Kansas City, Inc.	\$125.34	\$135.43	-7.5%	\$90,004,761	\$86,116,648	4.5%
<i>Kaiser Foundation Health Plan of Kansas City, Inc.</i>	\$126.77	\$130.86	-3.1%	\$67,983,131	\$67,695,655	0.4%
Medical Center Health Plan, dba Partners HMO	\$114.94	\$121.55	-5.4%	\$62,063,940	\$60,093,925	3.3%
Mercy Health Plans of Missouri, Inc.	\$94.55	----	----	\$1,071,513	----	----
MetraHealth Care Plan of Kansas City, Inc.	\$124.30	\$122.88	1.2%	\$7,020,816	\$5,721,334	22.7%
Physicians Health Plan of Greater St. Louis, Inc.	\$107.41	\$108.61	-1.1%	\$205,889,726	\$142,093,349	44.9%
**Principal Health Care of Kansas City, Inc.^	\$114.66	\$121.82	-5.9%	\$67,925,084	\$23,997,593	183.0%
Principal Health Care of St. Louis, Inc.	\$145.67	\$136.44	6.8%	\$53,619,520	\$46,201,014	16.1%
Prudential Health Care Plan, Inc.^	\$120.57	\$121.12	-0.5%	\$43,791,986	\$35,059,260	24.9%
<i>Total Health Care</i>	----	\$175.61	----	----	\$41,990,293	----
TriSource HealthCare, Inc., d/b/a Blue-Advantage	\$121.65	\$125.35	-2.9%	\$37,916,949	\$29,137,174	30.1%
<b>ALL HMOs</b>	<b>\$118.96</b>	<b>\$121.01</b>	<b>-1.7%</b>	<b>\$1,203,604,123</b>	<b>\$1,038,613,537</b>	<b>15.9%</b>

*Note: Data for companies in italics includes the experience of members residing in the state of Kansas.*

Therefore, totals differ slightly from those shown on Missouri market share tables shown on previous pages.

\*\*Indicates the premium PMPM is calculated based on Annual Statement Supplement filing. All other data elements are based on the earned premiums reported in the Premiums, Enrollment and Utilization Table in the Annual Statements. The Missouri market share table on page 37 used Schedule N of the Annual Statement as the data source which may result in slight differences between the two commercial premium amounts shown for an HMO.

^ Indicates administrative service only (ASO) member months have been excluded from the premium per member per month (PMPM) calculation.

# **MISSOURI-LICENSED HMOs**

## **RESULTS of NATIONWIDE OPERATIONS**

# BALANCE SHEET ITEMS

**Note:** Due to the consolidation of hospital and HMO financial data on annual statements for Citizens Advantage (Citizens Memorial Hospital) and Truman Medical Center, these two entities' data are set out separately.

- A. % Missouri Business** = Reported Missouri premium related revenues relative to reported total nationwide premium related revenues. Premium related revenue includes commercial premiums, Medicare and Medicaid revenues recorded on a prepaid basis for the provision of contracted health services.
- B. Total Cash & Short Term Investments** - Cash on hand and investments maturing in one year or less, excluding cash restricted for statutory insolvency reserve requirements or held for contract reserves (e.g. Medicaid grants).
- C. Total Premiums Receivable** - Gross amounts collectible for services rendered, excluding fee-for-service.
- D. Total Admitted Assets** - Permitted assets determined in accordance with statutory requirements.  
Includes: Cash; premiums receivable; investment income receivable; health care receivables; short-term & long-term investments; amounts due from affiliates; property & equipment; and aggregate write-ins for other assets.
- E. Total Accounts & Claims Payable = Accounts Payable + Claims Payable + Accrued Medical Incentive Pool**
  - 1. Accounts Payable** - Amounts due to creditors for purchased goods and services, excluding amounts due to health care providers.
  - 2. Claims Payable** - Claims recorded as payables & IBNR losses. **IBNR (Incurred But Not Reported)** losses are estimates of incurred claims for which the HMO is liable but the specific amount of liability remains to be determined.
  - 3. Accrued Medical Incentive Pool** - Portion of utilization savings designated to be shared with providers.
- F. Total Liabilities** - All obligations, determined in accordance with state statutes, for which an HMO is financially responsible.  
Includes: Accounts payable; total unpaid claims; unearned premium; loans & notes payable; amounts due to affiliates; and aggregate write-ins for other liabilities.
- G. Tangible Net Worth = Total Admitted Assets - Total Liabilities (G = D - F)**

# 1995 BALANCE SHEET ITEMS

## Nationwide Operations\*

Health Maintenance Organizations Licensed & Active in Missouri in 1995	A % MO Business	B Total Cash & Short Term Investments	C Total Premiums Receivable	D Total Admitted Assets	E Total Accounts & Claims Payable	F Total Liabilities	G Tangible Net Worth (D-F)
Alliance for Community Health, Inc.	100%	\$253,376	\$2,381,920	\$3,063,253	\$3,300,633	\$3,300,633	(\$237,380)
BMA Selectcare, Inc.	28%	\$39,847	\$20,701	\$1,582,114	\$490,086	\$508,317	\$1,073,797
CIGNA HealthCare of Kansas/Missouri, Inc.	17%	\$12,555,645	\$1,621,987	\$23,875,186	\$5,274,895	\$14,030,245	\$9,844,941
CIGNA HealthCare of St. Louis, Inc.	65%	\$6,928,420	\$232,044	\$7,954,031	\$1,478,761	\$3,541,159	\$4,412,872
Community Health Plan	100%	\$1,016,856	-----	\$2,600,257	\$1,030,384	\$1,198,750	\$1,401,507
Exclusive Healthcare, Inc.	6%	\$6,977,840	\$2,313,424	\$20,772,011	\$10,265,296	\$14,366,016	\$6,405,995
GenCare Health Systems, Inc.	91%	\$17,886,860	\$10,531,351	\$121,738,316	\$63,178,737	\$45,517,650	\$76,220,666
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	76%	\$2,731,079	\$1,788,676	\$23,902,753	\$6,433,178	\$8,380,772	\$15,521,981
Group Health Plan, Inc.	69%	\$749,440	\$5,044,448	\$39,268,548	\$20,168,769	\$34,398,135	\$4,870,413
HealthCare USA of Missouri LLC	100%	\$4,018,895	\$4,436,473	\$11,464,515	\$6,239,924	\$6,881,702	\$4,582,813
HealthLink HMO, Inc.	100%	\$2,190,665	\$450,121	\$4,450,970	\$1,810,041	\$1,933,614	\$2,517,356
HealthNet, Inc.	58%	\$2,783,973	\$66,422	\$3,541,775	\$2,067,325	\$2,287,116	\$1,254,659
HMO Missouri, Inc., d/b/a BlueChoice	100%	\$13,575,883	\$8,719,298	\$39,904,865	\$19,773,515	\$29,155,377	\$10,749,488
Humana Health Plan, Inc.	4%	\$52,516,884	\$33,016,659	\$270,859,469	\$113,991,509	\$156,437,881	\$114,421,588
Humana Kansas City, Inc.	75%	\$18,695,725	\$865,318	\$51,768,705	\$21,497,716	\$46,905,778	\$4,862,927
Kaiser Foundation Health Plan of Kansas City, Inc.	61%	\$620,756	\$3,158,871	\$22,272,604	\$5,856,603	\$12,697,998	\$9,574,606
Medical Center Health Plan, d/b/a Partners HMO	100%	\$8,972,064	\$5,513,211	\$30,068,679	\$15,059,267	\$26,081,803	\$3,986,876
Mercy Health Plans of Missouri, Inc.	100%	\$4,305,802	\$792,262	\$8,355,810	\$2,536,356	\$3,041,831	\$5,313,979
MetraHealth Care Plan of Kansas City, Inc.	60%	\$5,420,581	-----	\$6,111,974	\$1,869,552	\$2,063,185	\$4,048,789
Physicians Health Plan of Greater St. Louis, Inc.	98%	\$9,240,977	\$10,136,421	\$40,926,340	\$30,506,219	\$36,320,254	\$4,606,086
Principal Health Care of Kansas City, Inc.	100%	\$17,642,743	\$2,762,769	\$34,877,131	\$12,050,594	\$16,626,419	\$18,250,712
Principal Health Care of St. Louis, Inc.	68%	\$34,279,203	-----	\$35,136,409	\$6,938,435	\$11,491,706	\$23,644,703
Prudential Health Care Plan, Inc., d/b/a PruCare	2%	\$90,232,110	\$141,654,362	\$605,572,499	\$262,117,636	\$431,425,305	\$174,147,194
TriSource HealthCare, Inc., d/b/a Blue-Advantage	73%	\$7,091,725	\$1,561,594	\$22,973,614	\$13,339,970	\$14,349,792	\$8,623,822
<b>All HMOs Listed Above</b>	<b>28%</b>	<b>\$320,727,349</b>	<b>\$237,068,332</b>	<b>\$1,433,041,828</b>	<b>\$627,275,401</b>	<b>\$922,941,438</b>	<b>\$510,100,390</b>
<b>HMOs with MO% of Business &gt; 60%**</b>	<b>92%</b>	<b>\$155,621,050</b>	<b>\$58,374,777</b>	<b>\$506,838,774</b>	<b>\$233,068,654</b>	<b>\$303,886,558</b>	<b>\$202,952,216</b>
<b>HMOs Combined w/Hospital Operations Data*</b>							
Citizens Advantage (Citizens Memorial Hospital)	100%	\$115,584	\$1,558	\$17,198,589	\$624,836,595	\$14,660,788	\$2,537,801
Truman Medical Center, Inc.	100%	\$1,778,858	-----	\$155,593,254	\$624,836,595	\$50,791,453	\$104,801,801

\* See note at top of previous page. Because of accounting and data reporting methods, Citizens Advantage and Truman Medical Center are not directly comparable to the other HMOs.

\*\* Excludes BMA Selectcare, CIGNA HealthCare of Kansas/Missouri, Exclusive Healthcare, HealthNet, Humana Health Plan, and Prudential Health Care Plan.



# INCOME STATEMENT ITEMS

**Note:** Due to the consolidation of hospital and HMO financial data on annual statements for Citizens Advantage (Citizens Memorial Hospital) and Truman Medical Center, these two entities' data is set out separately.

- A. Total Premium Related Revenue** - Total commercial premiums, Medicare and Medicaid revenues recorded by nationwide business operations on a prepaid basis for the provision of contracted health services.
- B. Missouri % of "A"** = Reported Missouri premium related revenues relative to reported total nationwide premium related revenues.
- C. Total Revenue**  
Includes: Premium related revenue; fee-for-service revenue; investment revenue; and aggregate write-ins for other revenues.
- D. Total Medical & Hospital Expense**  
Includes: Physician services; other professional services; outside referrals; emergency room & out-of-area; occupancy, depreciation and amortization; inpatient; incentive pool adjustments; aggregate write-ins; and reinsurance expenses, **LESS** copayments; coordination of benefits; and subrogation.
- E. Total Administration Expense**  
Includes: Compensation; loan interest expense; occupancy, depreciation & amortization; marketing; and aggregate write-ins for other administration expenses.
- F. Income (Loss) = Total Revenue - Total Medical & Hospital Expense - Total Administration Expense**
- G. Federal Income Taxes** - Federal income taxes paid for the year.
- H. Net Income (Loss)** - Income adjusted for **extraordinary items** and federal income taxes paid.
  - 1. Extraordinary Items** - Nonrecurring gains or losses which are unrelated to or only incidentally related to the ordinary activities of the entity.

# 1995 INCOME STATEMENT ITEMS

## Nationwide Operations\*

Health Maintenance Organizations Licensed & Active in Missouri in 1995	A Total Premium Related Revenue	B MO % of "A"	C Total Revenue	D Total Medical & Hospital Expense	E Total Administration Expense	F Income (Loss) (B-C-D)	G Federal Income Taxes	H Net Income (Loss)
Alliance for Community Health, Inc.	\$7,414,694	100%	\$7,430,875	\$6,117,298	\$2,462,276	(\$1,148,699)	—	(\$1,148,699)
BMA Selectcare, Inc.	\$4,446,159	28%	\$4,577,962	\$3,877,824	\$1,086,458	(\$386,320)	(\$143,500)	(\$242,820)
CIGNA HealthCare of Kansas/Missouri, Inc.	\$34,679,409	17%	\$56,577,011	\$42,341,619	\$14,688,032	(\$452,640)	(\$497,678)	\$45,038
CIGNA HealthCare of St. Louis, Inc.	\$12,324,176	65%	\$19,105,290	\$9,009,086	\$7,073,921	\$3,022,283	\$1,060,107	\$1,962,176
Community Health Plan	\$2,853,285	100%	\$2,990,886	\$3,121,289	\$1,537,118	(\$1,667,521)	—	(\$1,667,521)
Exclusive Healthcare, Inc.	\$74,839,785	6%	\$73,820,282	\$71,592,536	\$13,704,412	(\$11,476,666)	—	(\$11,748,641)
GenCare Health Systems, Inc.	\$272,313,289	91%	\$281,513,108	\$219,996,318	\$43,450,597	\$18,066,193	\$5,923,602	\$12,142,591
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	\$37,108,648	76%	\$38,559,443	\$30,527,123	\$2,122,580	\$5,909,740	\$2,404,500	\$3,505,240
Group Health Plan, Inc.	\$205,384,626	69%	\$210,214,011	\$185,385,607	\$24,830,449	(\$2,045)	(\$41,848)	\$39,803
HealthCare USA of Missouri LLC	\$13,750,668	100%	\$13,858,766	\$11,690,690	\$2,162,262	\$5,814	\$1,989	\$3,825
HealthLink HMO, Inc.	\$10,130,695	100%	\$10,476,300	\$8,692,145	\$1,051,881	\$732,273	—	\$732,273
HealthNet, Inc.	\$10,351,266	58%	\$10,751,030	\$8,867,360	\$3,701,124	(\$1,817,454)	(\$187,630)	(\$1,629,824)
HMO Missouri, Inc., d/b/a BlueChoice	\$95,932,445	100%	\$102,447,208	\$76,553,388	\$26,861,544	(\$967,724)	\$1,793,872	(\$2,761,596)
Humana Health Plan, Inc.	\$1,075,485,097	4%	\$1,089,751,605	\$899,811,666	\$126,033,469	\$63,906,470	\$19,331,683	\$44,574,787
Humana Kansas City, Inc.	\$165,020,292	75%	\$174,019,842	\$148,038,607	\$23,194,483	\$2,786,752	\$301,055	\$2,485,697
Kaiser Foundation Health Plan of Kansas City, Inc.	\$69,585,634	61%	\$71,162,047	\$56,302,781	\$13,120,385	\$1,738,881	—	\$1,738,881
Medical Center Health Plan, d/b/a Partners HMO	\$70,731,806	100%	\$72,055,931	\$60,057,014	\$11,335,426	\$663,491	—	\$663,491
Mercy Health Plans of Missouri, Inc.	\$3,573,148	100%	\$3,798,877	\$3,428,865	\$4,056,033	(\$3,686,021)	—	(\$3,686,021)
MetraHealth Care Plan of Kansas City, Inc.	\$11,662,965	60%	\$11,964,433	\$9,239,486	\$1,805,833	\$919,114	\$322,500	\$596,614
Physicians Health Plan of Greater St. Louis, Inc.	\$226,413,962	98%	\$228,387,613	\$189,075,085	\$38,553,521	\$759,007	\$63,000	\$696,007
Principal Health Care of Kansas City, Inc.	\$67,925,084	100%	\$74,480,124	\$63,118,911	\$16,342,055	(\$4,980,842)	(\$3,483,493)	(\$1,497,349)
Principal Health Care of St. Louis, Inc.	\$54,563,360	68%	\$56,289,655	\$38,031,712	\$7,165,112	\$11,092,831	\$3,870,947	\$7,221,884
Prudential Health Care Plan, Inc., d/b/a PruCare	\$2,042,808,523	2%	\$2,084,280,960	\$1,766,445,697	\$331,348,399	(\$13,513,136)	(\$921,531)	(\$12,591,605)
TriSource HealthCare, Inc., d/b/a Blue-Advantage	\$52,036,938	73%	\$68,945,040	\$64,050,400	\$6,899,531	(\$2,004,891)	—	(\$2,004,891)
<b>All HMOs Listed Above</b>	<b>\$4,621,335,954</b>	<b>28%</b>	<b>\$4,767,458,299</b>	<b>\$3,975,372,507</b>	<b>\$724,586,901</b>	<b>\$67,498,890</b>	<b>\$29,797,575</b>	<b>\$37,429,340</b>
<b>HMOs with MO% of Business &gt; 60%**</b>	<b>\$1,378,725,715</b>	<b>92%</b>	<b>\$1,447,699,449</b>	<b>\$1,182,435,805</b>	<b>\$234,025,007</b>	<b>\$31,238,636</b>	<b>\$12,216,231</b>	<b>\$19,022,405</b>
<b>HMOs Combined w/Hospital Operations Data*</b>								
Citizens Advantage (Citizens Memorial Hospital)	\$2,109,563	100%	\$27,692,209	\$27,404,647	\$371,254	(\$83,692)	—	(\$83,692)
Truman Medical Center, Inc.	\$11,817,558	100%	\$157,019,860	\$119,808,992	\$24,686,489	\$12,524,379	—	\$12,524,379

\* See note at top of previous page. Because of accounting and data reporting methods, Citizens Advantage and Truman Medical Center are not directly comparable to the other HMOs.

\*\* Excludes BMA Selectcare, CIGNA HealthCare of Kansas/Missouri, Exclusive Healthcare, HealthNet, Humana Health Plan, and Prudential Health Care Plan.

# REVENUES BY CATEGORY

**Note:** Due to the consolidation of hospital and HMO financial data on annual statements for Citizens Advantage (Citizens Memorial Hospital) and Truman Medical Center, these two entities' data are set out separately.

- A. Total Commercial Premiums** - Revenue recognized on a prepaid basis from individuals and groups for provision of a specified range of health services over a defined period of time, excluding unearned premiums which are payments booked in advance of the period to which it applies.
- B. Total Medicare Revenue** - Revenue for services provided to Medicare beneficiaries per arrangement with the Health Care Financing Administration.
- C. Total Medicaid Revenue** - Revenue for services provided to Medicaid beneficiaries per arrangement with the Missouri Department of Social Services, Division of Medical Services, the state agency administering medical assistance under a state plan approved under Title XIX of the Social Security Act.
- D. Total Premium Related Revenue (A+B+C)** - Total commercial premiums, Medicare and Medicaid revenues recorded by nationwide business operations on a prepaid basis for the provision of contracted health services.
- E. Missouri % of "D"** = Reported Missouri premium related revenues relative to reported total nationwide premium related revenues.
- F. Total Fee-for-Service Revenue** - Revenue from the provision of health services to non-HMO members and to members for services not covered by their benefit plan.
- G. Total Investment Revenue** - Revenue from investment, deposit, and reserve accounts.
- H. Total Aggregate Write-ins for Other Revenues**  
Includes: Examples such as administrative service fees, grants, and gains (losses) in affiliate earnings.
- I. Total Revenue (I=D+F+G+H)** = Commercial Premiums + Medicare Revenue + Medicaid Revenue + Fee-for-Service Revenue + Investment Revenue + Aggregate Write-ins for Other Revenues

# 1995 REVENUES BY CATEGORY

## Nationwide Operations\*

Health Maintenance Organizations Licensed & Active in Missouri in 1995	A Total Commercial Premiums	B Total Medicare Revenue	C Total Medicaid Revenue	D Total Premium Related Rev. (A+B+C)	E MO % of "D"	F Total Fee-For- Service	G Total Investment Revenue	H Total Aggregate Write-ins	I Total Revenue (D+F+G+H)
Alliance for Community Health, Inc.	—	—	\$7,414,694	\$7,414,694	100%	—	\$16,181	—	\$7,430,875
BMA Selectcare, Inc.	\$4,446,159	—	—	\$4,446,159	28%	—	\$131,803	—	\$4,577,962
CIGNA HealthCare of Kansas/Missouri, Inc.	\$34,737,154	(\$57,745)	—	\$34,679,409	17%	\$12,447,927	\$715,514	\$8,734,161	\$56,577,011
CIGNA HealthCare of St. Louis, Inc.	\$12,324,176	—	—	\$12,324,176	65%	—	\$411,249	\$6,369,865	\$19,105,290
Community Health Plan	\$2,853,285	—	—	\$2,853,285	100%	—	\$137,601	—	\$2,990,886
Exclusive Healthcare, Inc.	\$73,579,665	—	\$1,260,120	\$74,839,785	6%	—	\$335,910	(\$1,355,413)	\$73,820,282
GenCare Health Systems, Inc.	\$261,839,950	\$4,819,454	\$5,653,885	\$272,313,289	91%	—	\$5,065,298	\$4,134,521	\$281,513,108
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	\$31,147,639	\$5,961,009	—	\$37,108,648	76%	—	\$1,450,795	—	\$38,559,443
Group Health Plan, Inc.	\$182,291,422	\$22,499,321	\$593,883	\$205,384,626	69%	\$2,485,949	\$665,194	\$1,678,242	\$210,214,011
HealthCare USA of Missouri LLC	—	—	\$13,750,668	\$13,750,668	100%	—	\$108,098	—	\$13,858,766
HealthLink HMO, Inc.	\$10,130,695	—	—	\$10,130,695	100%	—	\$147,135	\$198,470	\$10,476,300
HealthNet, Inc.	\$10,276,189	—	\$75,077	\$10,351,266	58%	—	\$139,444	\$260,320	\$10,751,030
HMO Missouri, Inc., d/b/a BlueChoice	\$88,226,542	\$7,705,903	—	\$95,932,445	100%	—	\$1,737,233	\$4,777,530	\$102,447,208
Humana Health Plan, Inc.	\$786,014,046	\$280,316,445	\$9,154,606	\$1,075,485,097	4%	\$2,899,529	\$7,768,909	\$3,598,070	\$1,089,751,605
Humana Kansas City, Inc.	\$114,624,244	\$50,267,774	\$128,274	\$165,020,292	75%	\$7,603,968	\$1,386,976	\$8,606	\$174,019,842
Kaiser Foundation Health Plan of Kansas City, Inc.	\$67,983,131	\$1,602,503	—	\$69,585,634	61%	\$220,541	\$36,974	\$1,318,898	\$71,162,047
Medical Center Health Plan, d/b/a Partners HMO	\$62,375,189	—	\$8,356,617	\$70,731,806	100%	—	\$1,324,125	—	\$72,055,931
Mercy Health Plans of Missouri, Inc.	\$1,071,513	—	\$2,501,635	\$3,573,148	100%	—	—	\$225,729	\$3,798,877
MetraHealth Care Plan of Kansas City, Inc.	\$11,662,965	—	—	\$11,662,965	60%	—	\$301,468	—	\$11,964,433
Physicians Health Plan of Greater St. Louis, Inc.	\$207,313,205	\$19,100,757	—	\$226,413,962	98%	—	\$1,473,695	\$499,956	\$228,387,613
Principal Health Care of Kansas City, Inc.	\$67,925,084	—	—	\$67,925,084	100%	—	\$1,678,871	\$4,876,169	\$74,480,124
Principal Health Care of St. Louis, Inc.	\$54,563,360	—	—	\$54,563,360	68%	—	\$1,726,295	—	\$56,289,655
Prudential Health Care Plan, Inc., d/b/a PruCare	\$1,840,090,196	\$63,499,489	\$139,218,838	\$2,042,808,523	2%	\$17,530,160	\$17,499,596	\$6,442,681	\$2,084,280,960
TriSource HealthCare, Inc., d/b/a Blue-Advantage	\$51,926,013	—	\$110,925	\$52,036,938	73%	\$15,814,741	\$1,093,361	—	\$68,945,040
<b>All HMOs Listed Above</b>	<b>\$3,977,401,822</b>	<b>\$455,714,910</b>	<b>\$188,219,222</b>	<b>\$4,621,335,954</b>	<b>28%</b>	<b>\$59,002,815</b>	<b>\$45,351,725</b>	<b>\$41,767,805</b>	<b>\$4,767,458,299</b>
<b>HMOs with MO% of Business &gt; 60%**</b>	<b>\$1,228,258,413</b>	<b>\$111,956,721</b>	<b>\$38,510,581</b>	<b>\$1,378,725,715</b>	<b>92%</b>	<b>\$26,125,199</b>	<b>\$18,760,549</b>	<b>\$24,087,986</b>	<b>\$1,447,699,449</b>
<b>HMOs Combined w/Hospital Operations Data*</b>									
Citizens Advantage (Citizens Memorial Hospital)	\$2,109,563	—	—	\$2,109,563	100%	\$24,754,401	\$286,244	\$542,001	\$27,692,209
Truman Medical Center, Inc.	—	—	\$11,817,558	\$11,817,558	100%	\$77,738,821	\$3,819,785	\$63,643,696	\$157,019,860

\* See note at top of previous page. Because of accounting and data reporting methods, Citizens Advantage and Truman Medical Center are not directly comparable to the other HMOs.

\*\* Excludes BMA Selectcare, CIGNA HealthCare of Kansas/Missouri, Exclusive Healthcare, HealthNet, Humana Health Plan, and Prudential Health Care Plan.

# MEDICAL & HOSPITAL EXPENSES

**Note:** Due to the consolidation of hospital and HMO financial data on annual statements for Citizens Advantage (Citizens Memorial Hospital) and Truman Medical Center, these two entities' data are set out separately.

- A. Total Physician Services** - Expenses for physician services under a salary, capitated, or fee-for-service basis.
- B. Total Outside Referrals** - Expenses for servicing providers not in the HMO's designated provider network.
- C. Total Inpatient** - Expenses for hospital costs of routine and ancillary services provided to HMO members.
- D. Total Other Medical & Hospital** - Other professional services; emergency room & out of area; occupancy, depreciation, and amortization; incentive pool and withhold adjustments; and aggregate write-in expenses.
  - 1. Other Professional Services** - Compensation & Benefits to non-physician providers of medical services.
  - 2. Emergency Room & Out-of-Area** - Emergency room and out-of-area emergency service costs for which the HMO is financially responsible.
  - 3. Occupancy, Depreciation, & Amortization** - Depreciation and amortization expenses related to medical service delivery.
  - 4. Incentive Pool and Withhold Adjustments** - Debits and credits associated with physician withholds retained by the HMO and amounts due providers under shared utilization savings arrangements.
  - 5. Aggregate Write-ins for Other Medical & Hospital Expenses** - e.g. pharmacy and outpatient expenses.
- E. Reinsurance Net of Recoveries** - "Stop-loss" insurance net of recoveries.
- F. Total Copayments** - The portion of medical costs paid by HMO members to servicing providers. The payment may be a flat amount per service, or a percentage of each dollar of covered medical costs.
- G. Total COB and Subrogation** - Income earned from coordination of benefits (reimbursements for benefits covered by other insurers) and subrogation (the substitution of one creditor for another).
- H. Total Medical & Hospital Expenses** = A + B + C + D + E - F - G
- I. Missouri % of "H"** = The percentage of total medical & hospital expenses incurred for Missouri members.

# 1995 MEDICAL & HOSPITAL EXPENSES

## Nationwide Operations\*

Health Maintenance Organizations Licensed & Active in Missouri in 1995	A Total Physician Services	B Total Outside Referrals	C Total Inpatient	D Total Other Medical & Hospital	E Reinsurance Net of Recoveries	F Total Copayments	G Total COB and Subrogation	H Total Medical & Hospital Expense (A+B+C+D+E-F-G)	I MO % of "H"
Alliance for Community Health, Inc.	\$1,369,715	\$423,801	\$2,215,083	\$2,108,699	----	----	----	\$6,117,298	100%
BMA Selectcare, Inc.	\$1,206,030	----	\$1,835,811	\$835,983	----	----	----	\$3,877,824	28%
CIGNA HealthCare of Kansas/Missouri, Inc.	\$12,171,692	----	\$9,578,081	\$23,056,989	\$48,075	\$1,349,410	\$1,163,808	\$42,341,619	14%
CIGNA HealthCare of St. Louis, Inc.	\$3,433,891	----	\$2,008,245	\$4,507,655	(\$352,283)	----	\$588,422	\$9,009,086	65%
Community Health Plan	\$975,707	\$15,103	\$942,743	\$1,130,643	\$57,093	----	----	\$3,121,289	100%
Exclusive Healthcare, Inc.	\$42,717,277	----	\$15,103,728	\$14,667,183	\$393,170	----	\$1,288,822	\$71,592,536	6%
GenCare Health Systems, Inc.	\$90,552,664	----	\$44,646,019	\$84,576,221	\$221,414	----	----	\$219,996,318	94%
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	\$9,930,664	----	\$9,097,438	\$11,520,543	(\$21,522)	----	----	\$30,527,123	77%
Group Health Plan, Inc.	\$39,605,966	\$30,361,346	\$41,664,530	\$83,239,122	\$695,288	\$9,845,750	\$334,895	\$185,385,607	69%
HealthCare USA of Missouri LLC	\$1,225,298	\$9,514	\$4,151,115	\$6,304,763	----	----	----	\$11,690,690	100%
HealthLink HMO, Inc.	\$3,338,020	----	\$3,589,869	\$1,866,093	----	\$82,511	\$19,327	\$8,692,145	100%
HealthNet, Inc.	\$1,268,179	\$1,857,898	\$3,251,472	\$2,751,873	(\$107,984)	----	\$154,078	\$8,867,360	N/A
HMO Missouri, Inc., d/b/a BlueChoice	\$20,390,236	\$29,347	\$22,918,663	\$32,373,222	\$841,920	----	----	\$76,553,388	100%
Humana Health Plan, Inc.	\$344,910,032	\$2,996,284	\$252,781,180	\$304,244,474	\$420,496	\$2,178,615	\$3,362,185	\$899,811,666	4%
Humana Kansas City, Inc.	\$78,605,687	\$2,280,623	\$40,321,089	\$26,831,208	\$514,493	\$4,331	\$510,162	\$148,038,607	75%
Kaiser Foundation Health Plan of Kansas City, Inc.	\$18,518,404	\$10,397,671	\$10,550,205	\$20,674,174	\$66,269	\$3,173,804	\$730,138	\$56,302,781	N/A
Medical Center Health Plan, d/b/a Partners HMO	\$47,169,585	----	\$14,825,308	\$2,081,795	\$1,645,192	\$3,732,876	\$1,931,990	\$60,057,014	100%
Mercy Health Plans of Missouri, Inc.	----	----	N/A	\$3,418,044	\$10,821	----	----	\$3,428,865	N/A
MetraHealth Care Plan of Kansas City, Inc.	\$3,922,313	----	\$2,445,292	\$3,195,117	(\$323,236)	----	----	\$9,239,486	61%
Physicians Health Plan of Greater St. Louis, Inc.	\$69,294,772	----	\$45,312,735	\$73,899,166	\$568,412	----	----	\$189,075,085	100%
Principal Health Care of Kansas City, Inc.	\$30,793,030	\$5,274,442	\$16,046,013	\$15,766,741	(\$19,870)	----	\$4,741,445	\$63,118,911	67%
Principal Health Care of St. Louis, Inc.	\$18,789,869	----	\$7,571,717	\$11,798,598	(\$128,472)	----	----	\$38,031,712	99%
Prudential Health Care Plan, Inc., d/b/a PruCare	\$616,767,692	\$207,911,952	\$406,801,821	\$588,892,224	----	\$40,293,827	\$13,634,165	\$1,766,445,697	2%
TriSource HealthCare, Inc., d/b/a Blue-Advantage	\$24,814,781	----	\$19,134,553	\$19,874,397	\$226,669	----	----	\$64,050,400	71%
<b>All HMOs Listed Above</b>	<b>\$1,481,771,504</b>	<b>\$261,557,981</b>	<b>\$976,792,710</b>	<b>\$1,339,614,927</b>	<b>\$4,755,945</b>	<b>\$60,661,124</b>	<b>\$28,459,437</b>	<b>\$3,975,372,507</b>	
<b>HMOs with MO% of Business &gt; 60%**</b>	<b>\$462,730,602</b>	<b>\$48,791,847</b>	<b>\$287,440,617</b>	<b>\$405,166,201</b>	<b>\$4,002,188</b>	<b>\$16,839,272</b>	<b>\$8,856,379</b>	<b>\$1,182,435,805</b>	
<b>HMOs Combined w/Hospital Operations Data*</b>									
Citizens Advantage (Citizens Memorial Hospital)	\$760,347	\$178,942	\$614,766	\$26,039,608	\$57,776	\$212,771	\$34,021	\$27,404,647	100%
Truman Medical Center, Inc.	\$21,643,758	----	\$24,833,115	\$73,332,119	----	----	----	\$119,808,992	100%

\* See note at top of previous page. Because of accounting and data reporting methods, Citizens Advantage and Truman Medical Center are not directly comparable to the other HMOs.

\*\* Excludes BMA Selectcare, CIGNA HealthCare of Kansas/Missouri, Exclusive Healthcare, HealthNet, Humana Health Plan, and Prudential Health Care Plan.

# LIQUIDITY INDICATORS

**Liquidity indicators are used to measure the HMO's ability to maintain adequate cash balances to meet short-term obligations.**

- A. Months in Operation** - reflects the learning curve associated with the mastery of HMO operations by management and staff. Less mature plans tend to have higher costs due to start up and inexperience.
  
- B. Current Ratio = Current Assets / Current Liabilities**
  
- C. Total Cash to Claims & Payables = (Cash + Short Term Investments + Premium Receivables) / (Total Unpaid Claims + Accounts Payable)**  
The ability of a plan to pay its accounts payable with available cash.
  
- D. % Change in "C" (1994-95) = (1995 Cash to Claims & Payables - 1994 Cash to Claims & Payable) / 1994 Cash to Claims & Payables**
  
- E. Days Cash on Hand = (Total Cash + Short Term Investments) / (Total Medical & Hospital Expenses per day\*)**  
The number of days the HMO could cover operating expenses with the current amount of available cash.
  
- F. Total Unpaid Claims / Total Revenue** - Total unpaid claims as a percentage of total revenue offers an early alarm to potential claim management problems in an HMO. Financial difficulties are indicated by an increasing claims to revenue ratio and a decreasing cash to claims & payable ratio.
  
- G. % Change in "F" (1994-95) = (1995 Total Unpaid Claims to Total Revenue - 1994 Total Unpaid Claims to Total Revenue) / 1994 Total Unpaid Claims to Total Revenue**

**\* Expenses per day** - expenses divided by the number of days in operation during 1995, i.e. 365 days for all HMOs except Alliance for Community Health, HealthCare USA of Missouri LLC, and Mercy Health Plans of Missouri.



# 1995 LIQUIDITY INDICATORS

## Nationwide Operations\*

Health Maintenance Organizations Licensed & Active in Missouri in 1995	A Months in Operation	B Current Ratio	C Total Cash to Claims & Payables	D % Change in "C" (1994-95)	E Days Cash on Hand	F Total Unpaid Claims / Total Revenue	G % Change in "F" (1994-95)
Alliance for Community Health, Inc.	6	79.8%	79.8%	-----	6.3	40.1%	-----
BMA Selectcare, Inc.	48	247.3%	12.4%	-38.4%	3.8	9.7%	-51.5%
CIGNA HealthCare of Kansas/Missouri, Inc.	136	128.8%	268.8%	32.3%	108.2	8.5%	-14.8%
CIGNA HealthCare of St. Louis, Inc.	119	207.5%	484.2%	46.3%	280.7	7.7%	-14.7%
Community Health Plan	16	85.1%	98.7%	-----	118.9	33.1%	-----
Exclusive Healthcare, Inc.	92	117.1%	90.5%	7.3%	35.6	13.8%	-13.7%
GenCare Health Systems, Inc.	125	80.0%	45.0%	-79.4%	29.7	14.2%	15.7%
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	84	82.3%	70.3%	-11.4%	32.7	16.1%	8.1%
Group Health Plan, Inc.	122	42.1%	28.7%	-50.5%	1.5	7.3%	-1.4%
HealthCare USA of Missouri LLC	5	149.4%	135.5%	-----	57.4	44.2%	-----
HealthLink HMO, Inc.	35	190.6%	145.9%	-23.7%	92.0	16.9%	-10.1%
HealthNet, Inc.	102	140.2%	137.9%	37.7%	114.6	18.7%	-30.2%
HMO Missouri, Inc., d/b/a BlueChoice	97	87.5%	112.8%	-46.6%	64.7	12.6%	9.6%
Humana Health Plan, Inc.	148	83.2%	75.0%	-26.5%	21.3	10.3%	-2.7%
Humana Kansas City, Inc.	108	49.3%	91.0%	-17.7%	46.1	11.4%	41.3%
Kaiser Foundation Health Plan of Kansas City, Inc.	156	147.4%	64.5%	-15.4%	4.0	7.1%	-2.7%
Medical Center Health Plan, d/b/a Partners HMO	94	68.9%	96.2%	-10.9%	54.5	20.6%	-4.2%
Mercy Health Plans of Missouri, Inc.	12	169.0%	201.0%	-----	267.5	57.2%	-----
MetraHealth Care Plan of Kansas City, Inc.	108	281.7%	289.9%	289.5%	214.1	15.6%	4.7%
Physicians Health Plan of Greater St. Louis, Inc.	118	56.4%	63.5%	88.0%	17.8	12.5%	-4.4%
Principal Health Care of Kansas City, Inc.	90	162.2%	169.3%	15.5%	102.0	16.1%	3.5%
Principal Health Care of St. Louis, Inc.	113	300.3%	494.0%	21.9%	322.3	12.3%	-36.7%
Prudential Health Care Plan, Inc., d/b/a PruCare	245	63.4%	88.5%	15.4%	18.6	11.9%	-7.8%
TriSource HealthCare, Inc., d/b/a Blue-Advantage	46	122.2%	64.9%	-63.0%	40.4	18.8%	10.1%
<b>All HMOs Listed Above</b>		<b>78.1%</b>	<b>88.9%</b>	<b>-14.3%</b>	<b>29.4</b>	<b>11.9%</b>	<b>2.4%</b>
<b>HMOs with MO% of Business &gt; 60% **</b>		<b>92.2%</b>	<b>91.8%</b>	<b>-11.5%</b>	<b>47.8</b>	<b>13.2%</b>	<b>13.8%</b>

\*Due to the staff model type and accounting practices, Citizen Advantage and Truman Medical Center are not directly comparable and not included.

\*\* Excludes BMA Selectcare, CIGNA HealthCare of Kansas/Missouri, Exclusive Healthcare, HealthNet, Humana Health Plan, and Prudential Health Care Plan.

# EFFICIENCY INDICATORS

**Efficiency** - The ability of an organization to act or produce effectively with a minimum of waste, expense or unnecessary effort. Efficiency indicators show the effectiveness of premium collection, claim payment processes, and the organization's ability to generate equity on the balance sheet or surplus on the income statement.

- A. Months in Operation** - reflects the learning curve associated with the mastery of HMO operations by management and staff. Less mature plans tend to have higher costs due to start up and inexperience.
- B. Net Income = Total Revenue less Total Expenses** adjusted for Federal income taxes and **extraordinary items**.
  - 1. Extraordinary Items** - Nonrecurring gains or losses which are unrelated to or only incidentally related to the ordinary activities of the entity.
- C. % Change in Net Income** =  $(1995 \text{ Net Income} - 1994 \text{ Net Income}) / \text{absolute value of } 1994 \text{ Net Income}$
- D. Tangible Net Worth** = **Total Admitted Assets - Total Liabilities.**
- E. % Change in Tangible Net Worth** =  $(1995 \text{ Tangible Net Worth} - 1994 \text{ Tangible Net Worth}) / \text{absolute value of } 1994 \text{ Tangible Net Worth}$
- F. Days in Receivables** = **Total Premiums Receivable / Total Premium Related Revenue per day\***  
 Indicates the number of days of premium revenue that a health plan has due from its members. This ratio tracks how quickly premiums are collected.
- G. Days in Unpaid Claims** = **Total Claims Payable / Total Medical & Hospital Expenses per day\***  
 Indicates the number of days of member claims a health plan has due to providers. This ratio considers all of the reported claims from providers; physicians, hospitals, and other health care professionals.

**\* Revenue and expenses per day** - revenue and expenses divided by the number of days in operation during 1995, i.e. 365 days for all HMOs except Alliance for Community Health, HealthCare USA of Missouri LLC, and Mercy Health Plans of Missouri.

# 1995 EFFICIENCY INDICATORS

## Nationwide Operations\*

Health Maintenance Organizations Licensed & Active in Missouri in 1995	A Months in Operation	B Net Income	C % Change in Net Income (1994-95)	D Tangible Net Worth	E % Change in Net Worth (1994-95)	F Days in Receivables	G Days in Unpaid Claims
Alliance for Community Health, Inc.	6	(\$1,148,699)	-----	(\$237,380)	-----	48.8	74.0
BMA Selectcare, Inc.	48	(\$242,820)	-205.1%	\$1,073,797	-18.4%	1.7	42.0
CIGNA HealthCare of Kansas/Missouri, Inc.	136	\$45,038	101.0%	\$9,844,941	11.5%	17.1	40.7
CIGNA HealthCare of St. Louis, Inc.	119	\$1,962,176	93.6%	\$4,412,872	16.4%	6.9	57.7
Community Health Plan	16	(\$1,667,521)	-----	\$1,401,507	-----	0.0	115.6
Exclusive Healthcare, Inc.	92	(\$11,748,641)	-144.5%	\$6,405,995	184.6%	11.3	49.9
GenCare Health Systems, Inc.	125	\$12,142,591	-45.7%	\$76,220,666	24.4%	14.1	50.2
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	84	\$3,505,240	-18.8%	\$15,521,981	29.2%	17.6	69.8
Group Health Plan, Inc.	122	\$39,803	-90.7%	\$4,870,413	-35.3%	9.0	27.9
HealthCare USA of Missouri LLC	5	\$3,825	-----	\$4,582,813	-----	53.9	87.4
HealthLink HMO, Inc.	35	\$732,273	207.0%	\$2,517,356	14.7%	16.2	66.4
HealthNet, Inc.	102	(\$1,629,824)	22.5%	\$1,254,659	172.2%	2.3	74.6
HMO Missouri, Inc., d/b/a BlueChoice	97	(\$2,761,596)	-132.3%	\$10,749,488	-25.0%	33.2	55.3
Humana Health Plan, Inc.	148	\$44,574,787	107.5%	\$114,421,588	-3.6%	11.2	45.1
Humana Kansas City, Inc.	108	\$2,485,697	-21.1%	\$4,862,927	-53.3%	1.9	47.0
Kaiser Foundation Health Plan of Kansas City, Inc.	156	\$1,738,881	101.4%	\$9,574,606	79.3%	16.6	32.8
Medical Center Health Plan, d/b/a Partners HMO	94	\$663,491	-54.2%	\$3,986,876	-12.4%	28.5	90.0
Mercy Health Plans of Missouri, Inc.	12	(\$3,686,021)	-----	\$5,313,979	-----	47.2	135.0
MetraHealth Care Plan of Kansas City, Inc.	108	\$596,614	1235.5%	\$4,048,789	17.6%	0.0	64.4
Physicians Health Plan of Greater St. Louis, Inc.	118	\$696,007	-55.9%	\$4,606,086	1.7%	16.3	13.1
Principal Health Care of Kansas City, Inc.	90	(\$1,497,349)	-318.4%	\$18,250,712	70.1%	14.8	152.8
Principal Health Care of St. Louis, Inc.	113	\$7,221,884	191.6%	\$23,644,703	57.4%	0.0	113.5
Prudential Health Care Plan, Inc., d/b/a PruCare	245	(\$12,591,605)	-149.4%	\$174,147,194	-24.5%	25.3	44.8
TriSource HealthCare, Inc., d/b/a Blue-Advantage	46	(\$2,004,891)	-471.8%	\$8,623,822	-25.6%	11.0	73.7
<b>All HMOs Listed Above</b>		<b>\$37,429,340</b>	<b>-54.5%</b>	<b>\$510,100,390</b>	<b>-3.5%</b>	<b>18.7</b>	<b>47.7</b>
<b>HMOs with MO% of Business &gt; 60% **</b>		<b>\$19,022,405</b>	<b>-59.2%</b>	<b>\$202,952,216</b>	<b>21.7%</b>	<b>15.4</b>	<b>54.0</b>

\*Due to the staff model type and accounting practices, Citizen Advantage and Truman Medical Center are not directly comparable and not included.

\*\* Excludes BMA Selectcare, CIGNA HealthCare of Kansas/Missouri, Exclusive Healthcare, HealthNet, Humana Health Plan, and Prudential Health Care Plan.

# PERFORMANCE INDICATORS

**Performance** - The ability of an organization to assume responsibilities and carry them through to completion. Performance indicators note the experience of an HMO in attaining commonly accepted standards of operation in relation to finances, enrollment, and utilization. The most often referenced indicator of HMOs' performance is the percentage of total premiums and related revenues which go to cover total medical and hospital expenses. This percentage is called the Medical Loss Ratio (MLR). As presented below, the plan wide MLR is defined as total medical & hospital expenses divided by total earned premium related revenues (including Medicare and Medicaid revenue) plus Fee-for-Service (FFS) revenue. Therefore, the plan wide MLR includes an HMO's experience in all states the HMO was active in during 1995. Another ratio which is often referenced is the percentage of earned premiums and revenues required to cover benefits incurred during the period for which coverage was purchased. This ratio is called the Loss Ratio (LR). As presented below, the Missouri LR is defined as total Missouri benefits incurred divided by total earned Missouri premium related revenues.

- A. **1995 Missouri Loss Ratio (LR) =**  

$$\text{Total Missouri Benefits Incurred} / \text{Total Earned Missouri Premium Related Revenue}$$
- B. **% Change in "A" (1994-95) =**  

$$(1995 \text{ Missouri LR} - 1994 \text{ Missouri LR}) / 1994 \text{ Missouri LR}$$
- C. **1995 Plan Wide Medical Loss Ratio (MLR) =**  

$$\text{Total Medical \& Hospital Expenses} / \text{Total Earned Premium Related Revenue} + \text{Fee-For-Service Revenue}$$
- D. **% Change in "C" (1994-95) =**  

$$(1995 \text{ Plan Wide MLR} - 1994 \text{ Plan Wide MLR}) / 1994 \text{ Plan Wide MLR}$$

**Premium Revenue and Medical Expenses Per Member Per Month** - Alternatively, premium revenue and medical expenses can be expressed as amounts per member per month (PMPM). Measuring medical expenses on a PMPM basis is important when comparing expense patterns to budgeted values or to prior period values. However, these values are highly dependent upon the enrollment size, model type of the HMO, and length of time in operation.

- E. **Total Plan Wide Member Months** - A member month is equivalent to one member from whom the HMO has recognized prepaid premium revenue for one month.
- F. **Premium Related + FFS Revenues PMPM =**  

$$(\text{Total Earned Premium Related} + \text{Fee-For-Service Revenues}) / \text{Total Plan Wide Member Months}$$
- G. **Medical & Hospital Expense PMPM =**  

$$\text{Total Medical \& Hospital Expense} / \text{Total Plan Wide Member Months}$$

# 1995 PERFORMANCE INDICATORS

## Nationwide Operations

Health Maintenance Organizations Licensed & Active in Missouri in 1995	A 1995 Missouri Loss Ratio	B % Change in "A" (1994-95)	C 1995 Plan Wide Medical Loss Ratio	D % Change in "C" (1994-95)	E Total Plan Wide Member Months*	F Premium Related + FFS Revenues PMPM	G Medical & Hospital Expense PMPM
Alliance for Community Health, Inc. #	82.5%	—	82.5%	—	70,262	\$105.53	\$87.06
BMA Selectcare, Inc.	87.2%	27.6%	87.2%	8.6%	38,266	\$116.19	\$101.34
*CIGNA HealthCare of Kansas/Missouri, Inc.	97.8%	9.7%	89.8%	-0.1%	366,016	\$128.76	\$115.68
CIGNA HealthCare of St. Louis, Inc.	73.1%	-8.3%	73.1%	-8.6%	93,672	\$131.56	\$96.18
Community Health Plan #	109.4%	—	109.4%	—	26,521	\$107.59	\$117.69
Exclusive Healthcare, Inc.	95.6%	4.5%	95.7%	-0.1%	698,460	\$107.15	\$102.50
*GenCare Health Systems, Inc.	81.5%	2.4%	78.9%	0.3%	2,425,733	\$115.00	\$90.69
Good Health HMO, Inc., d/b/a Blue-Care	82.3%	22.7%	82.3%	22.7%	258,666	\$143.46	\$118.02
Group Health Plan, Inc.	80.0%	-12.7%	89.2%	1.0%	1,533,038	\$135.59	\$120.93
Healthcare USA of Missouri LLC #	85.0%	—	85.0%	—	144,749	\$95.00	\$80.77
HealthLink HMO, Inc.	85.8%	-1.2%	85.8%	-1.2%	90,480	\$111.97	\$96.07
HealthNet, Inc.	85.7%	0.8%	85.7%	0.8%	80,415	\$128.72	\$110.27
*HMO Missouri, Inc., d/b/a BlueChoice	79.8%	7.3%	79.8%	7.3%	823,702	\$116.46	\$92.94
Humana Health Plan, Inc.	86.0%	4.3%	83.4%	1.9%	7,595,203	\$141.98	\$118.47
Humana Kansas City, Inc.	90.4%	8.6%	85.8%	1.9%	1,025,080	\$168.40	\$144.42
Kaiser Foundation Health Plan of Kansas City, Inc.	82.5%	2.1%	82.5%	2.1%	551,341	\$124.65	\$102.87
Medical Center Health Plan, d/b/a Partners HMO	83.9%	-3.2%	84.9%	-2.2%	648,989	\$108.99	\$92.54
Mercy Health Plans of Missouri, Inc. #	95.7%	—	96.0%	—	38,870	\$91.93	\$88.21
MetraHealth Care Plan of Kansas City, Inc.	83.5%	-10.1%	79.2%	-8.6%	93,961	\$124.13	\$98.33
Physicians Health Plan of Greater St. Louis, Inc.	83.5%	1.9%	83.5%	1.9%	1,971,860	\$114.82	\$95.89
*Principal Health Care of Kansas City, Inc.	97.7%	21.3%	92.9%	4.9%	602,964	\$112.65	\$104.68
Principal Health Care of St. Louis, Inc.	74.8%	-7.6%	71.1%	-7.8%	375,027	\$145.49	\$103.50
Prudential Health Care Plan, Inc., d/b/a PruCare	83.8%	11.1%	85.7%	2.5%	15,971,304	\$129.00	\$110.60
TriSource HealthCare, Inc., d/b/a Blue-Advantage	119.2%	9.9%	94.4%	5.9%	450,919	\$150.47	\$142.04
<b>All HMOs Listed Above</b>	<b>84.5%</b>	<b>2.1%</b>	<b>84.9%</b>	<b>2.1%</b>	<b>35,975,498</b>	<b>\$130.25</b>	<b>\$110.54</b>
<b>HMOs with MO% of Business &gt; 60% **</b>	<b>84.4%</b>	<b>1.7%</b>	<b>83.9%</b>	<b>1.8%</b>	<b>11,225,834</b>	<b>\$125.64</b>	<b>\$105.44</b>

# First year of business operations.

\* Total plan wide member months adjusted by excluding ASO related member months when calculating revenue and medical expenses on per member per month (PMPM) basis.

\*\* Excludes BMA Selectcare, CIGNA HealthCare of Kansas/Missouri, Exclusive Healthcare, HealthNet, Humana Health Plan, and Prudential Health Care Plan.

NOTE: For companies in italics, the Missouri medical loss ratio includes the experience of members residing in Kansas, or Illinois in the case of Principal Health Care of St. Louis.

Due to the staff model type and accounting practices, Citizen Advantage and Truman Medical Center are not directly comparable and not included.

# **HEALTH MAINTENANCE ORGANIZATION PROFILES**

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# Alliance for Community Health, Inc., dba Community Care

**Alliance for Community Health, Inc.,  
dba Community Care, A Healthcare Partnership**

3920 Lindell Blvd., Suite 100

St. Louis, MO 63108

314/454-0055 or 314/361-1669

State of Domicile: Missouri

An affiliated company of: Alliance for Community Health, Community CarePlus

Incorporated: March 5, 1986

Admitted to Missouri: June 27, 1995

Federally qualified: N/A

Accredited: N/A

Model type: IPA

## YEAR-END 1995 OFFICERS

President: Betty Jean Kerr

Secretary: Julian Mosley

Chief Financial Officer: Myrtle H. Davis

1st Vice President: Robert Massie

2nd Vice President: Jerry W. Paul

## YEAR-END 1995 DIRECTORS or TRUSTEES

Betty Jean Kerr, Julian Mosley

Myrtle H. Davis, Robert Massie

Jerry W. Paul, William Douthit

Ann Harris, Herman Noah

Jean Thomas, M.D., Glynn McFadden

## 1995 MISSOURI ENROLLMENT

Total Missouri member months for the year:

70,262

Missouri members at end of year:

21,339

## SERVICE AREA OPERATIONS DATA

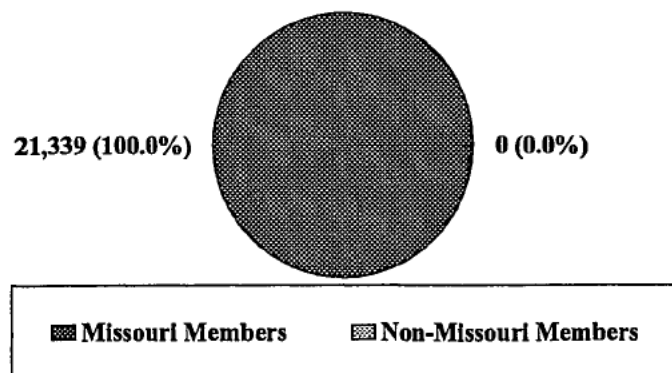
Number of hospitals contracted with:

20

Total number of participating physicians:

740

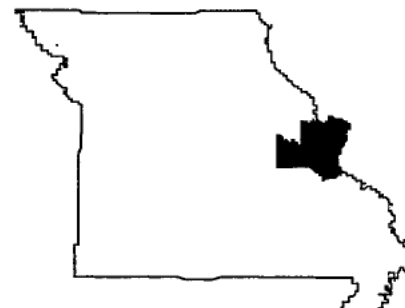
## 1995 TOTAL ENROLLMENT



## MISSOURI COUNTIES IN SERVICE AREA

As of August 1, 1996

Franklin, Jefferson, St. Charles, St. Louis, St. Louis City



# ALLIANCE for COMMUNITY HEALTH, INC., d/b/a COMMUNITY CARE

## NOTES TO FINANCIAL STATEMENTS<sup>1</sup>

---

### 1. Organization and Operation

The Alliance for Community Health, Inc. d/b/a Community CarePlus (Plan) contracted with the State of Missouri Department of *Social Services* to provide HMO coverage for Medicaid population for the State of Missouri. Under the contract, the Plan began to receive Medicaid HMO qualified enrollees in September 1995.

The Plan and Deaconess Health Systems (DHS), Family Care Health Center (FCHC), Peoples Health Center (PHC), and St. Louis Comprehensive Health Care (SLCHC) have common officers and members of their respective governing boards. The Plan contracts with Managed Care Solutions (MCS) in Phoenix, Arizona to provide all administrative services including claims processing, client services, medical management, information services, and financial reporting. Effective March 1, 1996 MCS will only provide information system and claims processing support.

### 2. Risk Sharing

The Plan contracts with independent professional associations (IPA) to provide medical services to their members. The Plan pays capitations or negotiated fees for services provided by the physicians. The Plan and IPAs have entered into risk sharing agreements. Generally, under the terms of the agreement, the total capitation received from the State is reduced by an administrative percentage with the remaining portion placed into risk pools for each physician group. Capitation and FFS (fee-for-service) payments are then subtracted from the risk pools with the remaining balance due to/from the physician group.

### 3. Related Parties

DHS, FCHC, PHC, and SLCHC are major providers of service to enrollees of the Plan. The major portion of services provided by DHS, FCHC, PHC, and SLCHC are paid for at a standard rate per enrollees, called a capitation. Deaconess Health Systems is also reimbursed on a fee for services basis for hospital charges.

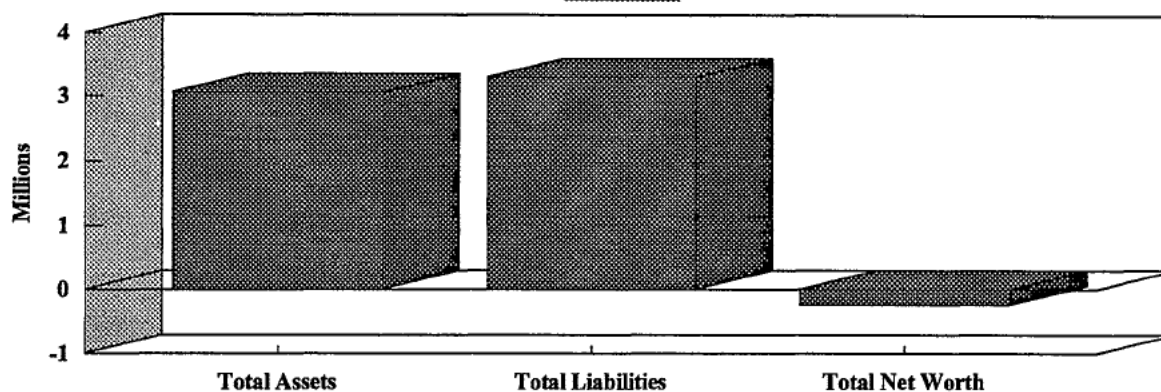
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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the Alliance for Community Health, Inc., d/b/a Community Care. Italicized text indicates unquoted text added for clarification.

# Alliance for Community Health, Inc.

## Balance Sheet Items

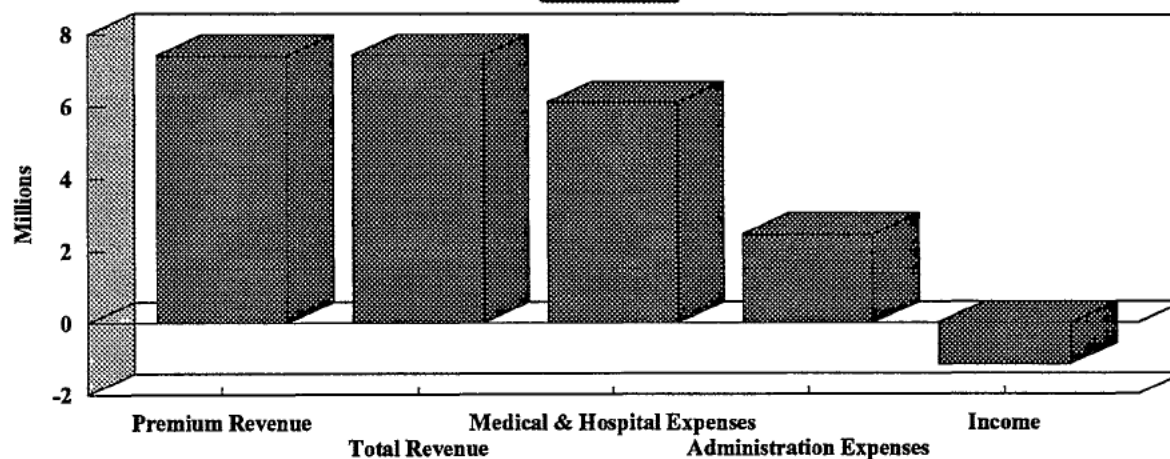
1995



Item	1995
Total Assets	\$3,063,253
Total Liabilities	\$3,300,633
Total Net Worth	(\$237,380)

## Income Statement Items

1995

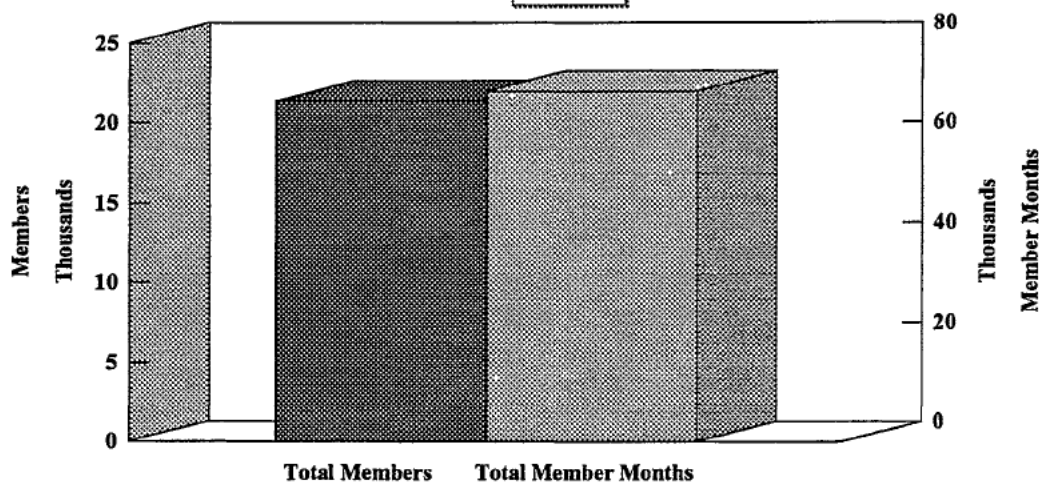


Item	1995
Premium Revenue	\$7,414,694
Total Revenue	\$7,430,875
Medical & Hospital Expenses	\$6,117,298
Administration Expenses	\$2,462,276
Income	(\$1,148,699)

# Alliance for Community Health, Inc.

## Enrollment

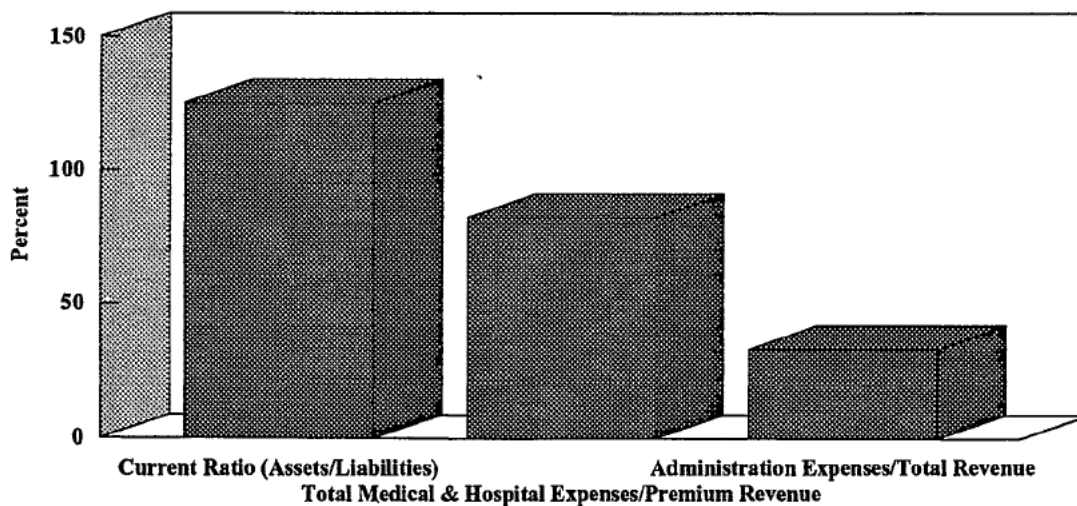
1995



Item	1995
Total Members	21,339
Total Member Months	70,262

## Formulas

1995



Item	1995
Current Ratio (Assets/Liabilities)	125.2%
Total Medical & Hospital Expenses / Premium Revenue	82.5%
Administration Expenses / Total Revenue	33.1%

# Alliance for the Community Health, Inc.

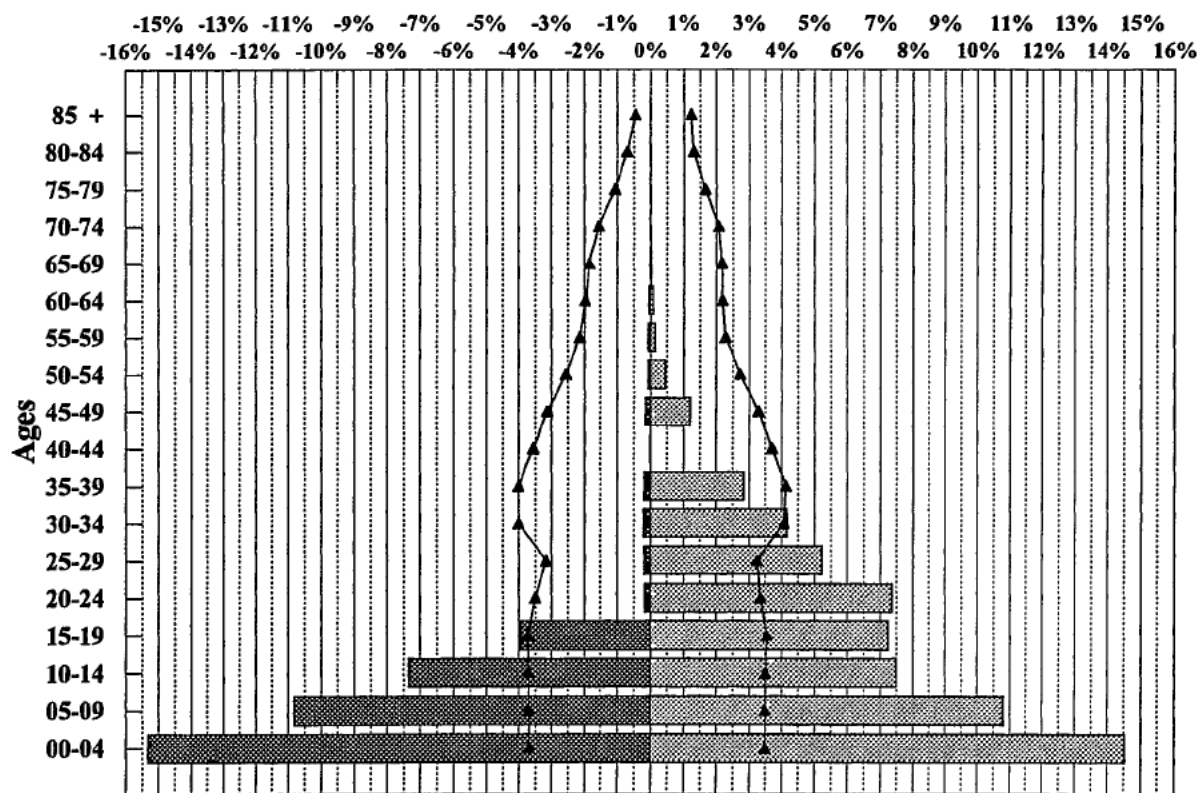
## 1995 Enrollment Demographics

Note: The following enrollment chart and table depicts the demographic composition of Alliance for Community Health enrollees, all of whom are Medicaid recipients.

**Average Age of Enrollees = 13.0**

**Percentage of Female Enrollees = 61.7%**

Males	Females	Totals
0	1	1
0	0	0
0	0	0
0	1	1
0	4	4
6	23	29
11	34	45
10	100	110
26	262	288
0	0	0
35	609	644
38	894	932
37	1,117	1,154
31	1,570	1,601
846	1,545	2,391
1,565	1,599	3,164
2,306	2,308	4,614
3,269	3,102	6,371
8,180	13,169	21,349



■ % of Male HMO members

■ % Female HMO Members

▲ 1995 Total Missouri Population %s

# BMA Selectcare, Inc.

## BMA Selectcare, Inc.

P.O. Box 419458

Kansas City, MO 64141

816/753-8000

State of Domicile: Missouri

An affiliated company of: Blue Cross Blue Shield of Kansas City

Incorporated: April 1, 1991

Admitted to Missouri: December 3, 1991

Federally qualified: N/A

Accredited: N/A

Model type: IPA

### 1995 YEAR-END OFFICERS

President: Richard Preston Krecker

Secretary: Michael Trent Marcotte

Chief Financial Officer: Charles Gary Deanhardt

Other Officers: Larry Kent Chastain

### 1995 YEAR-END DIRECTORS

Richard Preston Krecker

Michael Trent Marcotte

Larry Kent Chastain

### 1995 MISSOURI ENROLLMENT

Total Missouri member months for the year:

9,392

Missouri members at end of year:

0

### SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Kansas City area(as of 1/1/95):

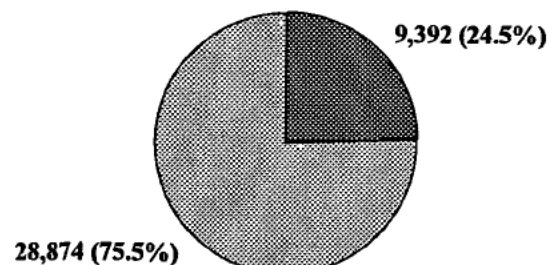
13

Total number of participating physicians in Kansas City area:

768

### 1995 TOTAL ENROLLMENT

Total member months for the year:



■ Missouri Member Months

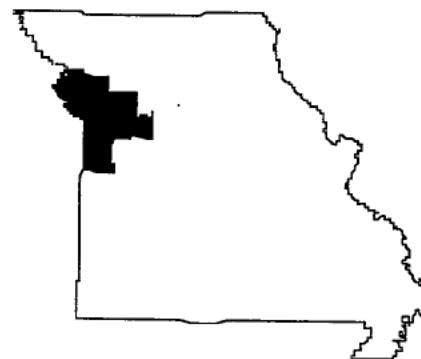
▨ Non-Missouri Member Months

### MISSOURI COUNTIES IN SERVICE AREA

Buchanan, Cass, Clay, Clinton, Jackson, Lafayette, Platte, Ray

### KANSAS COUNTIES IN SERVICE AREA

Johnson, Leavenworth, Miami, Wyandotte



# BMA SELECTCARE, INC.

## NOTES TO FINANCIAL STATEMENTS<sup>1</sup>

---

### 1. Organization and Operation

BMA Selectcare, Inc. (The Company) was acquired by Blue Cross and Blue Shield of Kansas City effective January 1, 1995 as part of the acquisition of the health business of Business Men's Assurance Company of America (BMA). During 1995 all members were converted to other subsidiaries of Blue Cross and Blue Shield of Kansas City. Effective January 1, 1996, the Company had no members. This transfer of business out of the Company is reflected in decreases in all areas of the Company's financial status and operations in 1995. The only activity in the Company in 1996 will be the run out of claims.

BMA Selectcare, Inc. (the Company) provides comprehensive health maintenance services enrollees through arrangements with health care and other service providers. Effective January 1, 1995, the Company is a wholly owned subsidiary of Blue Cross and Blue Shield of Kansas City. The Company is licensed by the states of Missouri and Kansas and regulated under state statutes pertaining to HMO's. The Company serves the Kansas City metropolitan area.

### 2. Risk/Incentive Sharing

The Company contracts with an independent professional association (IPA) to provide medical services to its members. The Company pays negotiated fees for services provided by the physicians. The Company and the IPA have entered into risk/incentive sharing arrangements. Generally under the terms of the agreement 15% of the negotiated amounts due the physicians are withheld. The withheld amounts may be subsequently distributed to the IPA based upon the ultimate utilization of services measured by the predetermined criteria. The IPA may also receive a bonus if utilization results are favorable.

### 3. Significant Accounting Policies

Administrative Service Only (ASO) contracts are those for which the various employers retain all health care service risks, while the Company assumes administrative risk. The Company does not reflect payment of ASO claims in its Statement of Revenues and Expenses. Total self-insured health care serviced ASO benefits approximated \$1,790,000 and \$1,684,000 in 1995 and 1994, respectively.

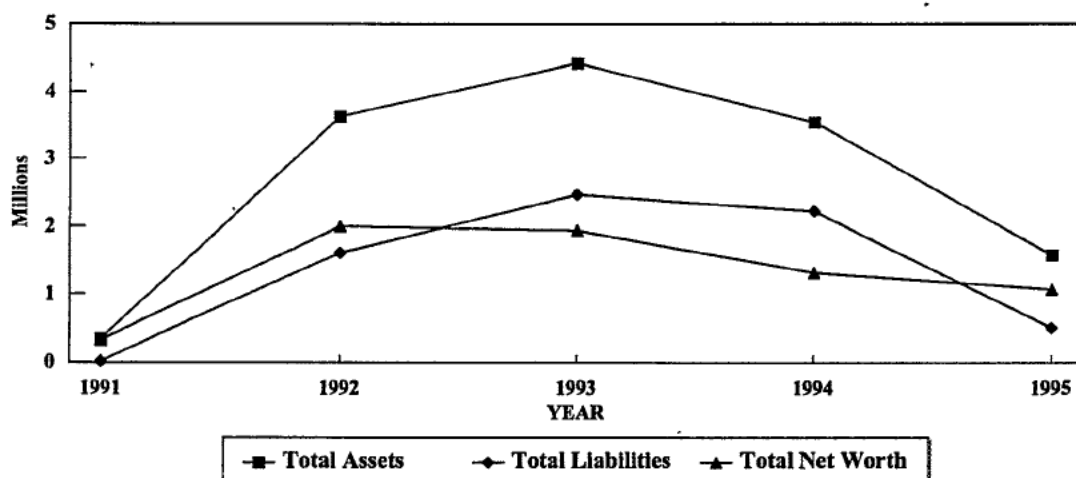
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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the BMA Selectcare, Inc.



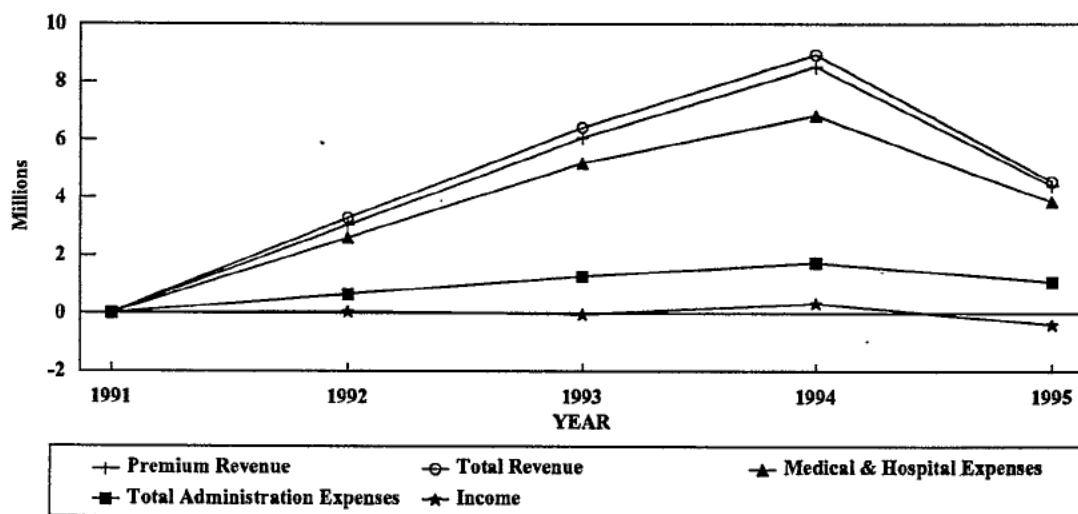
# BMA Selectcare, Inc.

## Balance Sheet Items



Item	1991	1992	1993	1994	1995
Total Assets	\$330,170	\$3,614,306	\$4,423,416	\$3,545,255	\$1,582,114
Total Liabilities	\$15,370	\$1,614,021	\$2,472,443	\$2,228,638	\$508,317
Total Net Worth	\$314,370	\$2,000,285	\$1,950,973	\$1,316,617	\$1,073,797

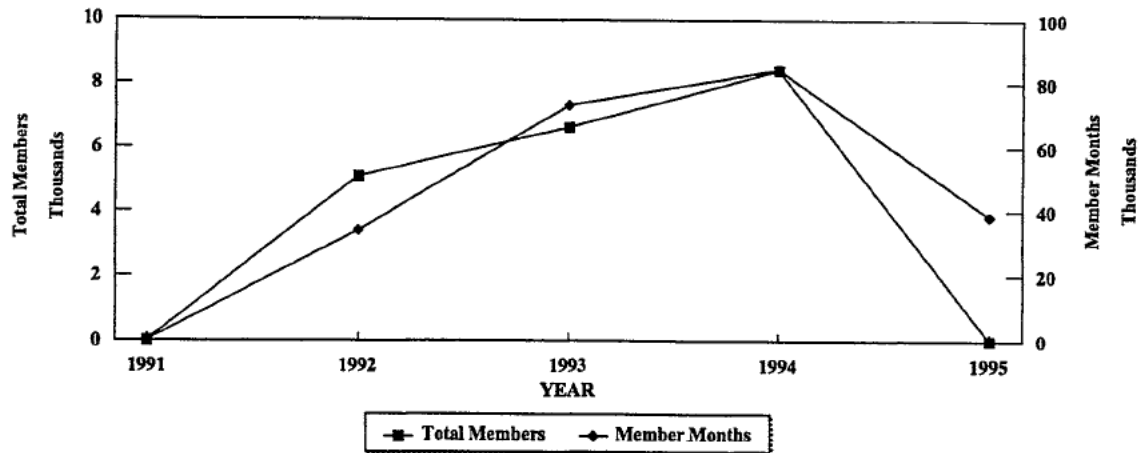
## Income Statement Items



Item	1991	1992	1993	1994	1995
Premium Revenue	\$0	\$3,031,552	\$6,056,479	\$8,507,786	\$4,446,159
Total Revenue	\$5,516	\$3,267,336	\$6,412,834	\$8,929,188	\$4,577,962
Medical & Hospital Expenses	\$0	\$2,585,332	\$5,190,208	\$6,831,986	\$3,877,824
Administration Expenses	\$237	\$634,119	\$1,256,339	\$1,756,171	\$1,086,458
Income	\$5,279	\$47,885	(\$33,713)	\$341,031	(\$386,320)

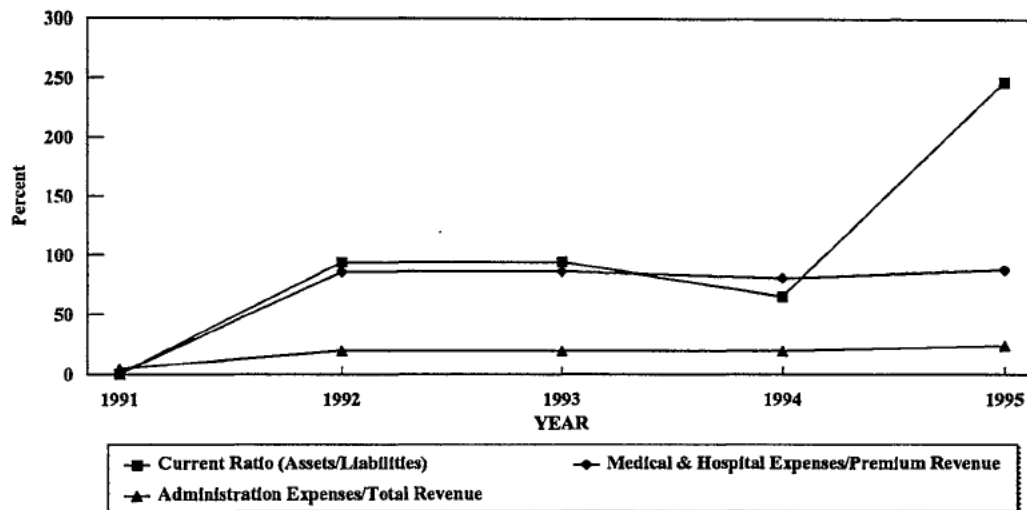
# BMA Selectcare, Inc.

## Enrollment



Item	1991	1992	1993	1994	1995
Total Members	0	5,091	6,616	8,398	0
Total Member Months	0	33,939	73,047	84,312	38,266

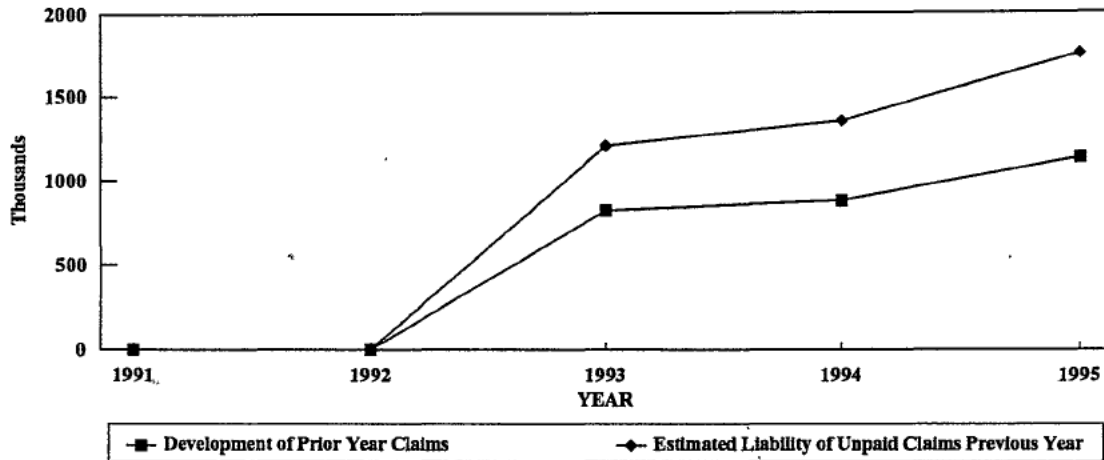
## Formulas



Item	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	N/A	93.2%	93.8%	65.1%	247.3%
Medical & Hospital Expenses/Premium Revenue	0.0%	85.3%	85.7%	80.3%	87.2%
Administration Expenses/Total Revenue	4.3%	19.4%	19.6%	19.7%	23.7%

# BMA Selectcare, Inc.

## Unpaid Claims Analysis



Item	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$0	\$0	\$820,333	\$876,903	\$1,134,324
Estimated Liability of Unpaid Claims Previous Year	\$0	\$0	\$1,200,000	\$1,351,441	\$1,752,788

**Development of Prior Year Claims** is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of December 31st of the current year on claims incurred in prior years.

**Estimated Liability of Unpaid Claims Previous Year** is the estimated liability of all unpaid claims as of December 31st of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both values should be examined on a per member per month basis.

# CIGNA HealthCare of Kansas/Missouri, Inc.

## CIGNA HealthCare of Kansas/Missouri, Inc.

101 South Webb Road, Suite 200

Wichita, KS 67207

913/451-9389

State of Domicile: Kansas

Incorporated: February 28, 1984

Admitted to Missouri: June 30, 1986

Federally qualified: September 1, 1984

Accredited: NCQA - One Year 12/95

Model type: Mixed

An affiliated company of: CIGNA Corporation

### 1995 YEAR-END OFFICERS

President: Cynthia Anne Finter

Secretary: Edward Paul Potanka

Treasurer: Stephen Chester Stachelek

Assistant Treasurer: Michael M. Sinisgalli

Vice President: Mary-Beth M. McCormack

Assistant Secretary: Stewart A. Brandt

### 1995 YEAR-END DIRECTORS or TRUSTEES

William Allen Shaffer, M.D.

Umesh Anantharam Kurpad

### 1995 MISSOURI ENROLLMENT

Total Missouri member months (including Flexcare ASO product):

**326,392**

Total Missouri members (including Flexcare ASO product):

**27,487**

### SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Kansas City area:

**19**

Total number of primary care physicians in Kansas City area:

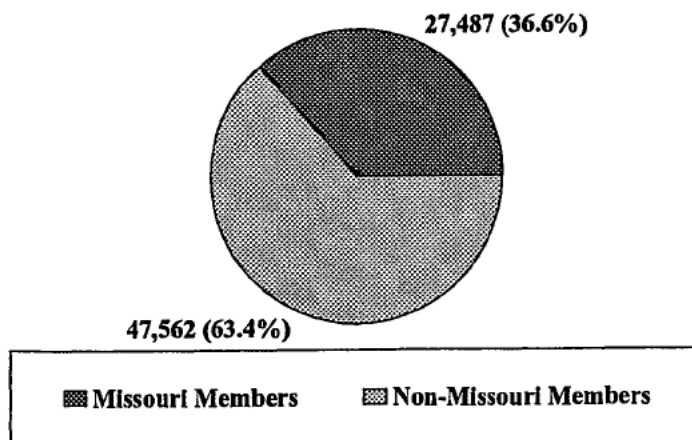
**296**

Total number of participating physicians (includes KS, MO, & OH):

**1,459**

### 1995 TOTAL ENROLLMENT

Non-Missouri enrollment includes Kansas and Ohio members

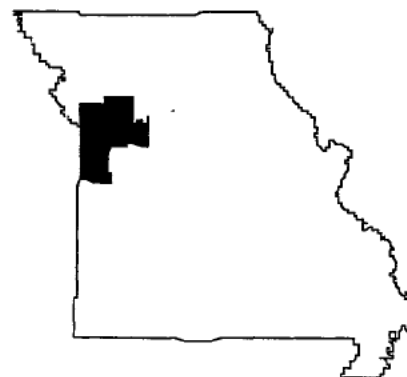


### MISSOURI COUNTIES IN SERVICE AREA

Cass, Clay, Jackson, Lafayette, Platte, Ray

### KANSAS COUNTIES IN SERVICE AREA

Douglas, Franklin, Johnson, Leavenworth, Miami, Wyandotte



# CIGNA HEALTHCARE OF KANSAS/MISSOURI, INC.

## NOTES TO FINANCIAL STATEMENTS<sup>1</sup>

---

### 1. Organization and Operation

CIGNA HealthCare of Kansas/Missouri, Inc. (the Company), is a federally qualified health maintenance organization (HMO) which commenced operations on September 1, 1984. The Company provides health services throughout the region. Principal products and services include managed care products and services; utilization management services and managed pharmacy services. The Company is a wholly-owned subsidiary of CIGNA Health Corporation (the Parent), which is an indirect wholly-owned subsidiary of CIGNA Corporation. The merger of CIGNA HealthCare of Kansas/Missouri, Inc. and CIGNA HealthCare of Ohio, Inc. has been filed with the Secretaries of State for Kansas, Missouri, and Ohio. CIGNA HealthCare of Ohio, Inc. will be the surviving corporation.

### 2. Significant Accounting Policies

The Company subcontracts with Connecticut General Life Insurance Company (CGLIC), an affiliated company, in connection with an indemnity-based managed care product called FlexCare. FlexCare is offered to employees on an insured or self-insured funding basis. CGLIC, in the case of insured plans, and employers that contracted with CGLIC, in the case of self-insured plans, are responsible to the Company for the payment of charges by physicians for covered services rendered to employees. The Company receives an administrative fee for use of its provider network by CGLIC or the self-insured employer. These administrative fees are included in Administrative Fee Income in the Statement of Revenues, Expenses and Net Worth. The State of Kansas Department of Insurance has approved the netting of FlexCare premium revenues against FlexCare medical expenses in the financial statements. Included in total membership of 75,049 and 78,859 are 45,052 and 47,142 FlexCare participants at December 31, 1995 and 1994, respectively.

### 3. Risk/Incentive Sharing

The Company contracts with physicians or provider groups to provide medical services to their members. The Company pays capitation or negotiated fees for defined services provided by physicians. The Company and some of the physicians have entered into incentive sharing agreements. Under the terms of these agreements, certain providers are eligible to receive a provider bonus based on qualitative and quantitative factors. The Company and the physicians or provider groups have entered into risk sharing agreements. Under the terms of these agreements, various percentages of all fees potentially payable to the physicians are withheld. Based upon actual medical expenses compared to predetermined criteria, the amounts withheld from and paid to the participating physicians are adjusted. The withheld amounts distributed subsequent to the risk sharing settlement date depending on the terms of the agreements.

---

<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the CIGNA HealthCare of Kansas/Missouri, Inc.

# Citizens Advantage

**Citizens Advantage**  
**P.O. Box 479 or 1500 North Oakland**  
**Bolivar, MO 65613**  
**417/777-6000 or 417/326-6000**  
**State of Domicile: Missouri**

**Commenced Business: March 1, 1994**  
**Admitted to Missouri: February 18, 1994**  
**Federally qualified: N/A**  
**Accredited: N/A**  
**Model type: Staff**

**An affiliated company of: Citizens Memorial Hospital**

## 1995 YEAR-END OFFICERS

President: Donald Joe Babb  
 Secretary: Brent Wayne DeRossett  
 Chief Financial Officer: Gary Dene Fulbright

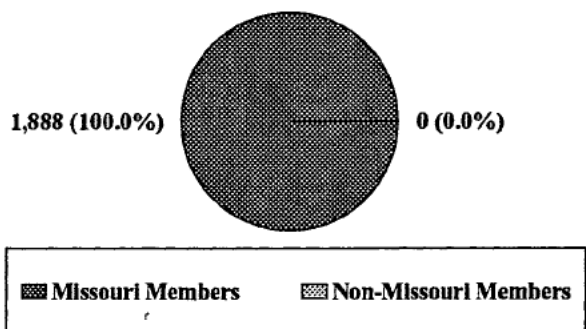
## 1995 YEAR-END DIRECTORS

Kerry DeLisle Douglas  
 David Gilbert Hacker  
 Richard David Magnuson  
 Norman Gene Presley  
 Joe Ben Shelton  
 Wilburn Wayne Wilson

## 1995 MISSOURI ENROLLMENT

Total Missouri member months:  
**22,060**  
 Total Missouri members:  
**1,888**

## 1995 TOTAL ENROLLMENT

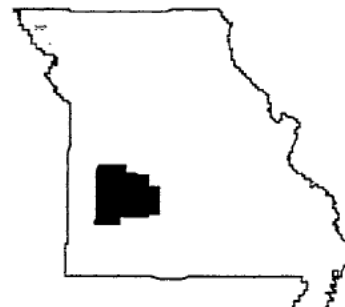


## SERVICE AREA OPERATIONS DATA

Number of Missouri hospitals contracted with in service area:  
**5**  
 Total number of primary care physicians (PCPs) in service area:  
**18**  
 Total number of participating physicians in service area:  
**175**

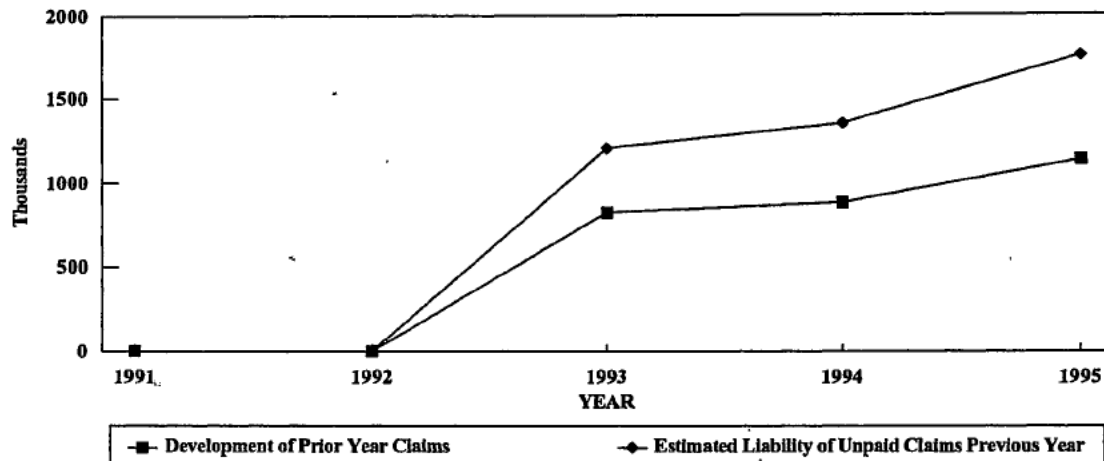
## MISSOURI COUNTIES IN SERVICE AREA

Cedar, Dade, Dallas Hickory, Polk, St. Clair



# BMA Selectcare, Inc.

## Unpaid Claims Analysis



Item	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$0	\$0	\$820,333	\$876,903	\$1,134,324
Estimated Liability of Unpaid Claims Previous Year	\$0	\$0	\$1,200,000	\$1,351,441	\$1,752,788

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## CIGNA HealthCare of Kansas/Missouri, Inc.

101 South Webb Road, Suite 200

Wichita, KS 67207

913/451-9389

State of Domicile: Kansas

Incorporated: February 28, 1984

Admitted to Missouri: June 30, 1986

Federally qualified: September 1, 1984

Accredited: NCQA - One Year 12/95

Model type: Mixed

An affiliated company of: CIGNA Corporation

### 1995 YEAR-END OFFICERS

President: Cynthia Anne Finter

Secretary: Edward Paul Potanka

Treasurer: Stephen Chester Stachelek

Assistant Treasurer: Michael M. Sinisgalli

Vice President: Mary-Beth M. McCormack

Assistant Secretary: Stewart A. Brandt

### 1995 MISSOURI ENROLLMENT

Total Missouri member months (including Flexcare ASO product):

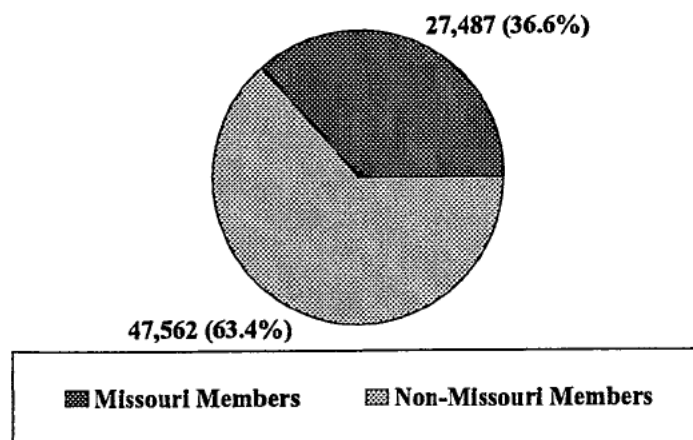
**326,392**

Total Missouri members (including Flexcare ASO product):

**27,487**

### 1995 TOTAL ENROLLMENT

Non-Missouri enrollment includes Kansas and Ohio members



### 1995 YEAR-END DIRECTORS or TRUSTEES

William Allen Shaffer, M.D.

Umesh Anantharam Kurpad

### SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Kansas City area:

**19**

Total number of primary care physicians in Kansas City area:

**296**

Total number of participating physicians (includes KS, MO, & OH):

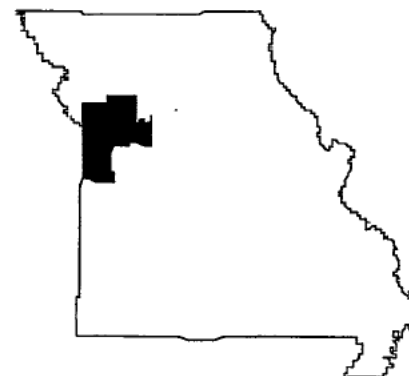
**1,459**

### MISSOURI COUNTIES IN SERVICE AREA

Cass, Clay, Jackson, Lafayette, Platte, Ray

### KANSAS COUNTIES IN SERVICE AREA

Douglas, Franklin, Johnson, Leavenworth, Miami, Wyandotte





# CIGNA HEALTHCARE OF KANSAS/MISSOURI, INC.

## NOTES TO FINANCIAL STATEMENTS<sup>1</sup>

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### 1. Organization and Operation

CIGNA HealthCare of Kansas/Missouri, Inc. (the Company), is a federally qualified health maintenance organization (HMO) which commenced operations on September 1, 1984. The Company provides health services throughout the region. Principal products and services include managed care products and services; utilization management services and managed pharmacy services. The Company is a wholly-owned subsidiary of CIGNA Health Corporation (the Parent), which is an indirect wholly-owned subsidiary of CIGNA Corporation. The merger of CIGNA HealthCare of Kansas/Missouri, Inc. and CIGNA HealthCare of Ohio, Inc. has been filed with the Secretaries of State for Kansas, Missouri, and Ohio. CIGNA HealthCare of Ohio, Inc. will be the surviving corporation.

### 2. Significant Accounting Policies

The Company subcontracts with Connecticut General Life Insurance Company (CGLIC), an affiliated company, in connection with an indemnity-based managed care product called FlexCare. FlexCare is offered to employees on an insured or self-insured funding basis. CGLIC, in the case of insured plans, and employers that contracted with CGLIC, in the case of self-insured plans, are responsible to the Company for the payment of charges by physicians for covered services rendered to employees. The Company receives an administrative fee for use of its provider network by CGLIC or the self-insured employer. These administrative fees are included in Administrative Fee Income in the Statement of Revenues, Expenses and Net Worth. The State of Kansas Department of Insurance has approved the netting of FlexCare premium revenues against FlexCare medical expenses in the financial statements. Included in total membership of 75,049 and 78,859 are 45,052 and 47,142 FlexCare participants at December 31, 1995 and 1994, respectively.

### 3. Risk/Incentive Sharing

The Company contracts with physicians or provider groups to provide medical services to their members. The Company pays capitation or negotiated fees for defined services provided by physicians. The Company and some of the physicians have entered into incentive sharing agreements. Under the terms of these agreements, certain providers are eligible to receive a provider bonus based on qualitative and quantitative factors. The Company and the physicians or provider groups have entered into risk sharing agreements. Under the terms of these agreements, various percentages of all fees potentially payable to the physicians are withheld. Based upon actual medical expenses compared to predetermined criteria, the amounts withheld from and paid to the participating physicians are adjusted. The withheld amounts distributed subsequent to the risk sharing settlement date depending on the terms of the agreements.

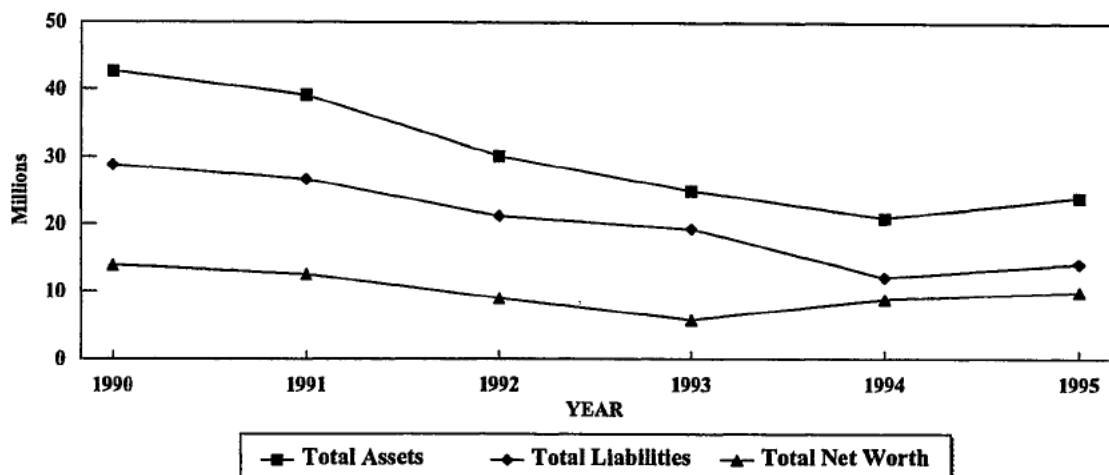
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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the CIGNA HealthCare of Kansas/Missouri, Inc.

# CIGNA HealthCare of Kansas/Missouri, Inc.

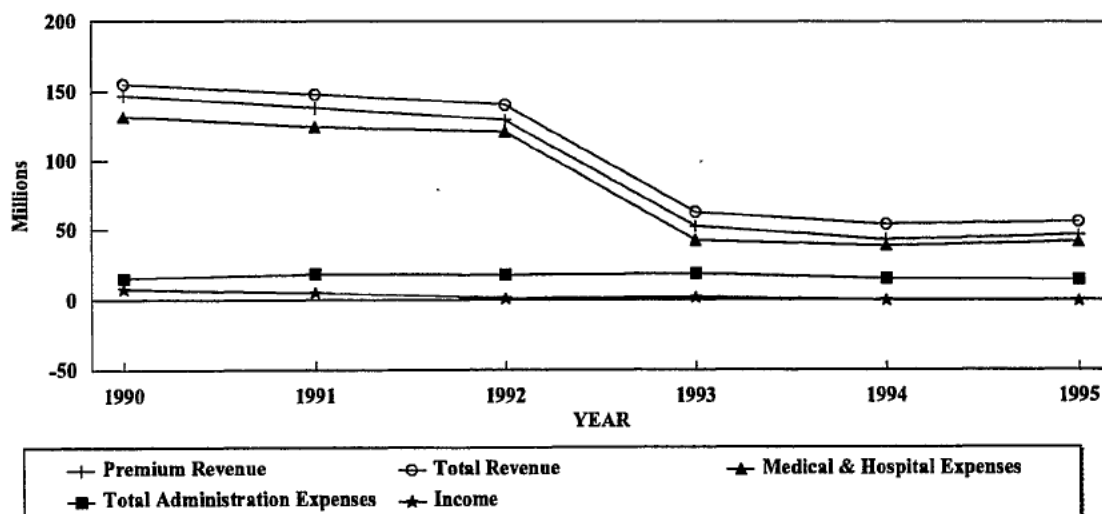
Note: In the following tables, data for the years 1993, 1994, and 1995 reflect the reclassification of CIGNA's "FlexCare" business line for which the company provides administrative services only. All premiums, fees, and expenses associated with this product have been netted out for those years, with the approval of the State of Kansas Department of Insurance.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$42,651,035	\$39,145,250	\$30,109,807	\$24,941,005	\$20,829,902	\$23,875,186
Total Liabilities	\$28,850,436	\$26,670,052	\$21,116,079	\$19,198,940	\$11,998,921	\$14,030,245
Total Net Worth	\$13,800,599	\$12,475,198	\$8,993,728	\$5,742,065	\$8,830,981	\$9,844,941

## Income Statement Items

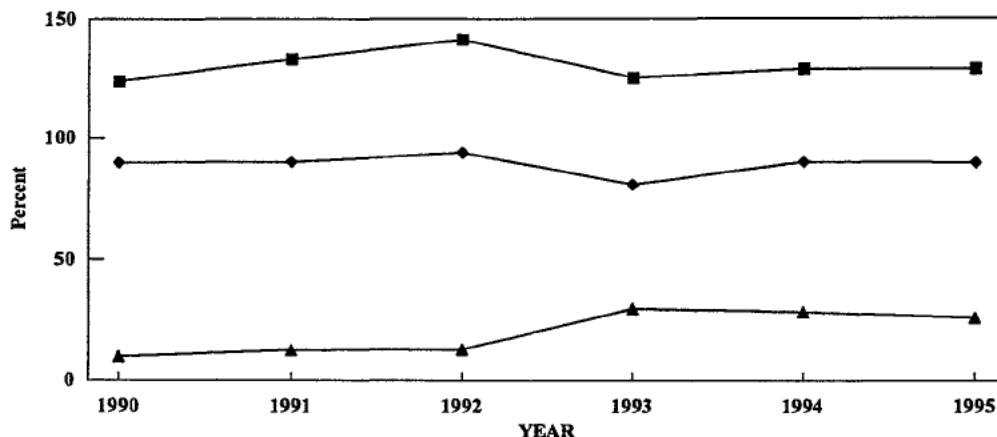


Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$146,909,344	\$137,979,243	\$129,349,803	\$52,784,308	\$43,336,698	\$47,127,336
Total Revenue	\$154,910,224	\$147,821,816	\$140,187,750	\$63,202,202	\$54,169,139	\$56,577,011
Medical & Hospital Expenses	\$131,777,754	\$124,239,382	\$121,121,701	\$42,711,478	\$38,990,322	\$42,341,619
Administration Expenses	\$15,128,591	\$18,248,436	\$17,974,300	\$18,752,744	\$15,353,782	\$14,688,032
Income	\$8,003,879	\$5,333,998	\$1,091,749	\$1,737,980	(\$174,965)	(\$452,640)

# CIGNA HealthCare of Kansas/Missouri, Inc.

Note: In the following tables, data for the years 1993, 1994, and 1995 reflect the reclassification of CIGNA's "FlexCare" business line for which the company provides administrative services only. All premiums, fees, and medical expenses associated with this product have been netted out for those years. However, administrative expenses associated with the management of the "FlexCare" (ASO) business have not been excluded, therefore the administrative expense ratio appears high relative to other HMOs.

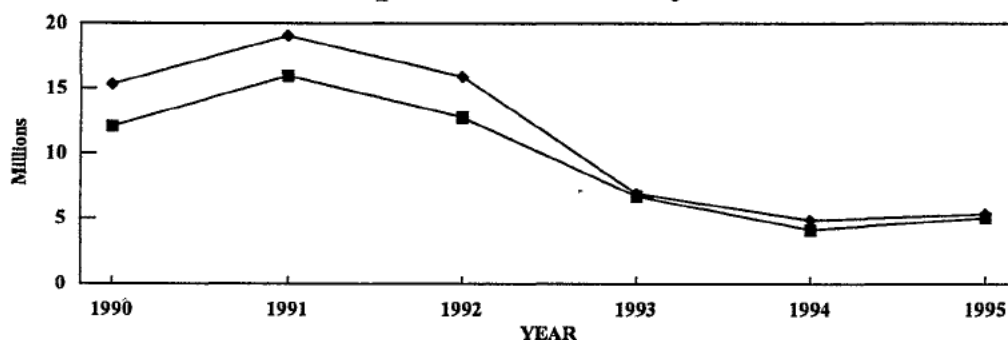
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	123.8%	133.0%	141.2%	125.1%	128.9%	128.8%
Medical & Hospital Expenses/Premium Revenue	89.7%	90.0%	93.6%	80.9%	90.0%	89.8%
Administration Expenses/Total Revenue	9.8%	12.3%	12.8%	29.7%	28.3%	26.0%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$12,055,159	\$15,910,498	\$12,733,126	\$6,718,239	\$4,109,945	\$5,045,568
Estimated Liability of Unpaid Claims Previous Year	\$15,274,353	\$19,015,272	\$15,854,939	\$6,880,296	\$4,850,803	\$5,338,262

Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

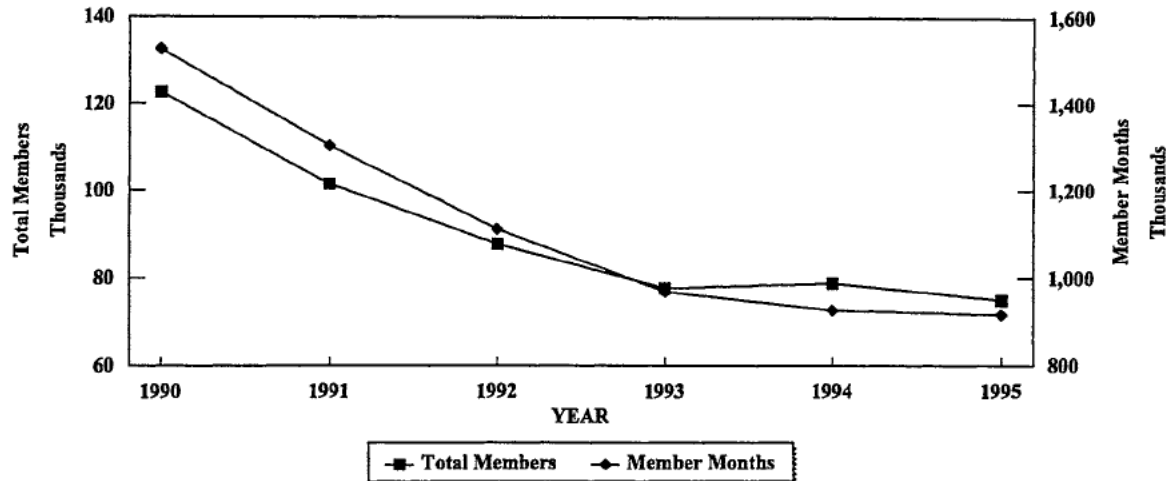
Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# CIGNA HealthCare of Kansas/Missouri, Inc.

Note: The following enrollment chart and table includes HMO and "FlexCare" (ASO) members residing in all states the company is approved to provide services, i.e. Kansas, Missouri, and Ohio.

## Total Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	122,765	101,472	87,740	77,647	78,859	75,049
Total Member Months	1,525,947	1,304,927	1,110,864	351,552	263,904	915,729

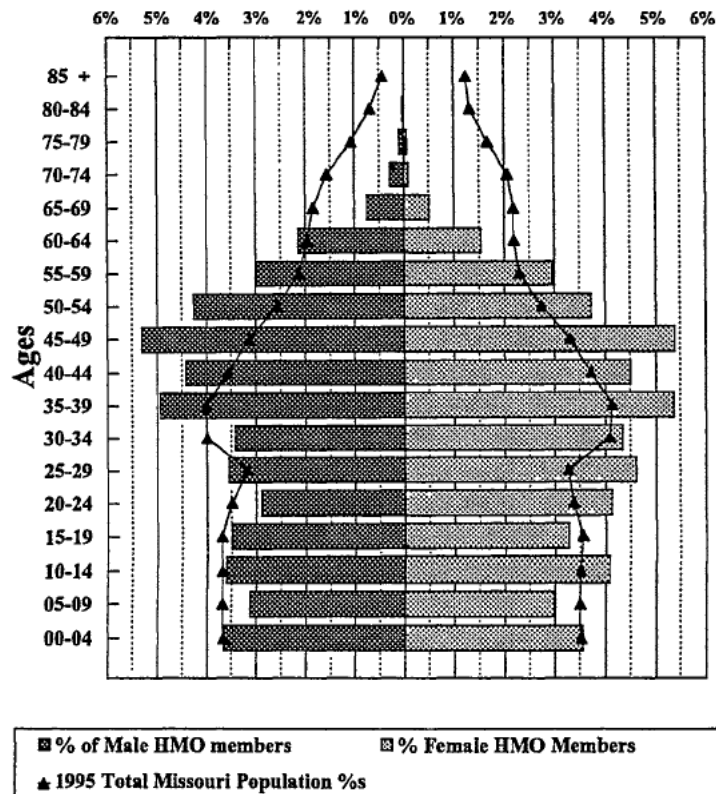
## 1995 Missouri Enrollment Demographics

Note: The following enrollment demographic table and chart reflects data on Missouri HMO members only. Non-Missouri and "FlexCare" (ASO) members are not included.

Average Age of Enrollees = 33.0

Percentage of Female Enrollees = 51.0%

Males	Females	Totals
0	0	0
1	0	1
4	2	6
11	3	14
29	19	48
82	59	141
115	113	228
163	142	305
203	206	409
169	172	341
189	205	394
131	166	297
136	176	312
111	158	269
134	125	259
138	156	294
120	114	234
140	136	276
1,876	1,952	3,828



# CIGNA HealthCare of St. Louis, Inc.

**CIGNA HealthCare of St. Louis, Inc.**  
 8182 Maryland Avenue, Suite 900  
 St. Louis, MO 63105-3721  
 314/726-7860 or 314/878-2866  
 State of Domicile: Missouri

**Incorporated: May 2, 1985**  
**Admitted to Missouri: January 17, 1986**  
**Federally qualified: April 14, 1987**  
**Accredited: NCQA - Full Accreditation 3 Year - 8/96**  
**Model type: IPA**

**An affiliated company of: CIGNA Corporation**

## 1995 YEAR-END OFFICERS

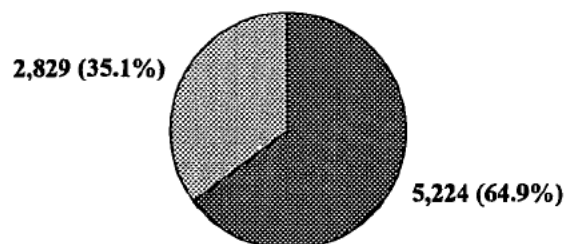
President: James A. Young  
 Secretary: David Charles Kopp  
 Treasurer: Stephen Chester Stachelek  
 Vice President: Mary-Beth M. McCormack  
 Assistant Secretary: Stewart Alan Brandt  
 Assistant Treasurer: Michael Mario Sinisgalli

## 1995 MISSOURI ENROLLMENT

Total Missouri member months (excluding FlexCare ASO product):  
**60,718**  
 Missouri members (excluding FlexCare ASO product enrollees):  
**5,224**

## 1995 TOTAL ENROLLMENT

Non-Missouri enrollment includes Illinois HMO members, but excludes FlexCare (ASO) members residing in either Illinois or Missouri:



■ Missouri Members    ■ Non-Missouri Members

## 1995 YEAR-END DIRECTORS

Umesh Anantharam Kurpad  
 William Allen Schäffer, M.D.

## SERVICE AREA OPERATIONS DATA

Number of Missouri hospitals contracted with in St. Louis area:  
**21**

Total number of primary care physicians (PCPs) in St. Louis area:  
**633**

Total number of participating physicians in St. Louis area:  
**2,635**

## MISSOURI COUNTIES IN SERVICE AREA

Franklin, Jefferson, St. Charles, St. Louis, St. Louis City

## ILLINOIS COUNTIES IN SERVICE AREA

Madison, Monroe, St. Clair



# CIGNA HEALTHCARE OF ST. LOUIS, INC.

## NOTES TO FINANCIAL STATEMENTS<sup>1</sup>

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### 1. Organization and Operation

CIGNA HealthCare of St. Louis, Inc. (the Company), is a federally qualified health maintenance organization (HMO) which commenced operations on February 1, 1986. The Company provides insurance services throughout the region. Principal products and services include managed care products and services. The Company is a wholly-owned subsidiary of CIGNA Health Corporation (the Parent), which is an indirect wholly-owned subsidiary of CIGNA Corporation.

### 2. Significant Accounting Policies

The Company subcontracts with Connecticut General Life Insurance Company (CGLIC), an affiliated company, in connection with an indemnity-based managed care product called FlexCare. FlexCare is offered to employees on an insured or self-insured funding basis. CGLIC, in the case of insured plans, and employers that contracted with CGLIC, in the case of self-insured plans, are responsible to the Company for the payment of charges by physicians for covered services rendered to employees. The Company also receives an administrative fee for use of its provider network by CGLIC or the self-insured employer. These administrative fees are included in Administrative Fee Income in the Statement of Revenues, Expenses and Net Worth. The State of Missouri Department of Insurance has approved the netting of FlexCare premium revenues against FlexCare medical expenses in the financial statements. Included in total membership of 42,339 and 36,835 are 34,286 and 29,081 FlexCare participants at December 31, 1995 and 1994, respectively.

### 3. Risk/Incentive Sharing

The Company contracts with physicians or provider groups to provide medical services to their members. The Company pays capitation or negotiated fees for defined services provided by physicians. The Company and some of the physicians have entered into incentive sharing agreements. Under the terms of these agreements, certain providers are eligible to receive a provider bonus based on qualitative and quantitative factors. Accrued physician incentives were \$48,674 and \$60,341 at December 31, 1995 and 1994, respectively. The Company and the physicians or provider groups have entered into risk sharing agreements. Under the terms of these agreements, various percentages of all fees potentially payable to the physicians are withheld. Based upon actual medical expenses compared to predetermined criteria, the amounts withheld from and paid to the participating physicians are adjusted. The withheld amounts distributed subsequent to the risk sharing settlement date depending on the terms of the agreements.

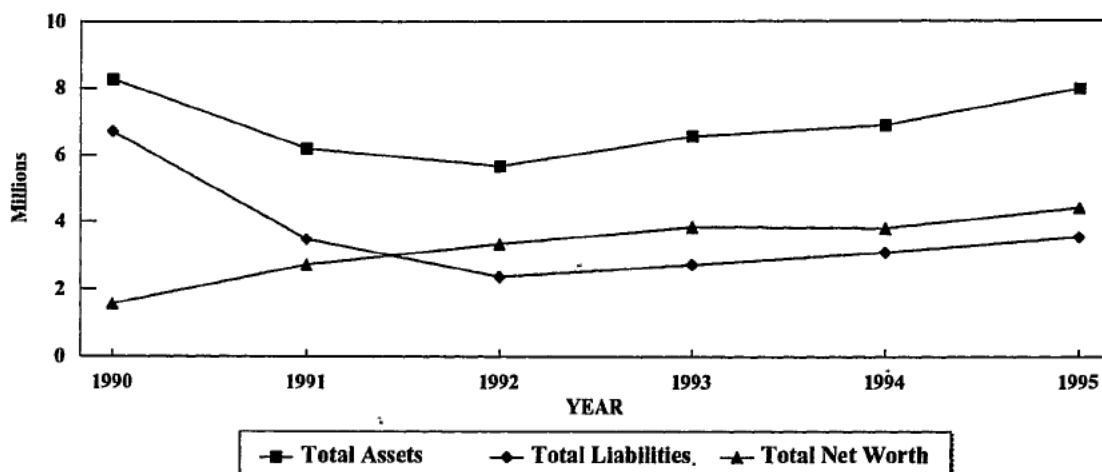
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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the CIGNA HealthCare of St. Louis, Inc.

# CIGNA HealthCare of St. Louis, Inc.

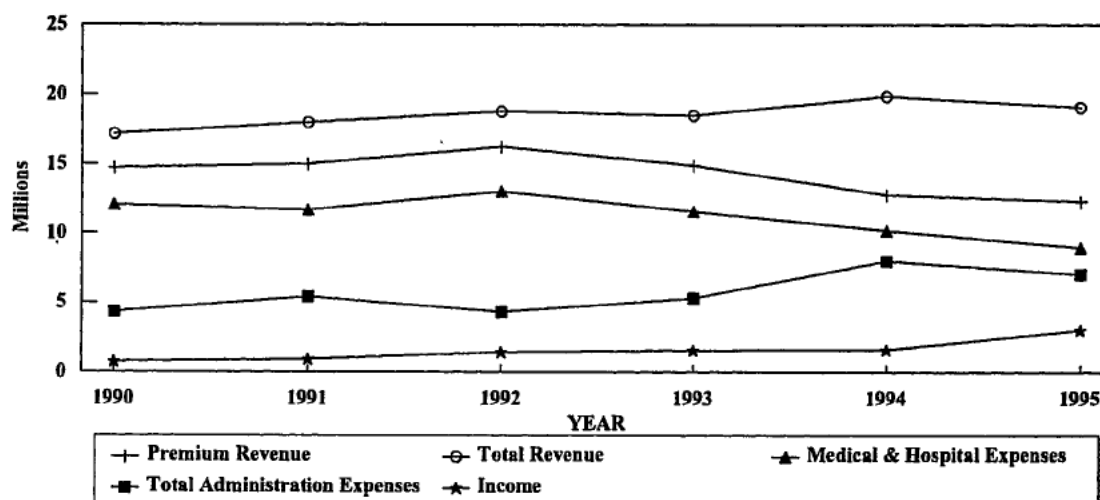
Note: In the following tables, data for the years 1993, 1994, and 1995 reflect the reclassification of CIGNA's "FlexCare" business line for which the company provides administrative services only. All premiums, fees, and medical expenses associated with this product have been netted out for those years, with the approval of the State of Missouri Department of Insurance.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$8,262,953	\$6,197,352	\$5,668,723	\$6,550,117	\$6,869,570	\$7,954,031
Total Liabilities	\$6,705,381	\$3,481,061	\$2,349,009	\$2,721,196	\$3,078,027	\$3,541,159
Total Net Worth	\$1,557,572	\$2,716,291	\$3,319,714	\$3,828,921	\$3,791,543	\$4,412,872

## Income Statement Items

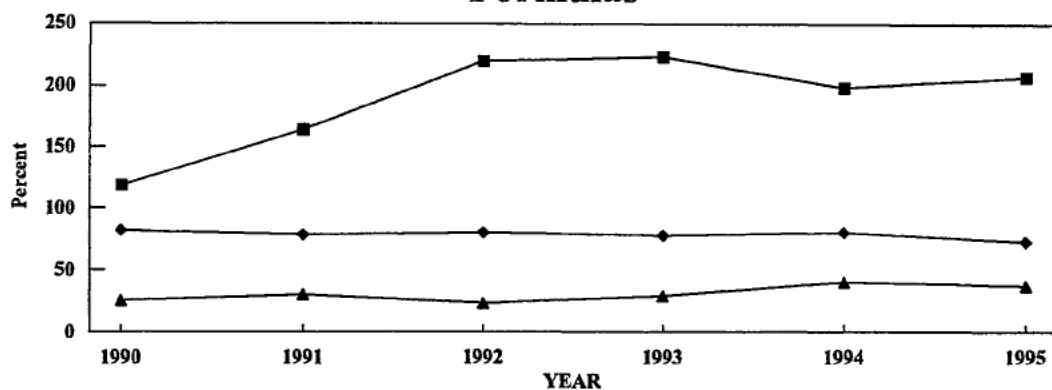


Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$14,713,183	\$14,973,529	\$16,219,154	\$14,891,356	\$12,776,169	\$12,324,176
Total Revenue	\$17,136,452	\$17,979,384	\$18,749,997	\$18,468,595	\$19,871,005	\$19,105,290
Medical & Hospital Expenses	\$12,034,457	\$11,674,410	\$13,021,491	\$11,568,737	\$10,215,521	\$9,009,086
Administration Expenses	\$4,330,719	\$5,399,173	\$4,301,665	\$5,326,917	\$8,044,256	\$7,073,921
Income	\$711,276	\$905,801	\$1,426,841	\$1,572,941	\$1,611,228	\$3,022,283

# CIGNA HealthCare of St. Louis, Inc.

Note: The following table includes administrative expenses associated with the "FlexCare" (ASO) line of business. Approximately 78% of the 1995 total administration expenses were noted as such. This amount should not be considered when calculating administrative expenses on a per member per month basis. Information in the Unpaid Claims Analysis table have been restated to exclude claims associated with "FlexCare" membership.

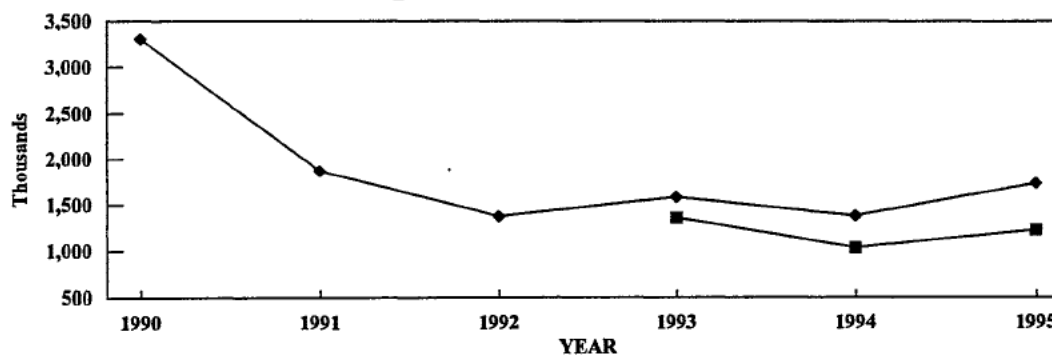
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	118.4%	163.3%	220.0%	223.7%	198.9%	207.5%
Medical & Hospital Expenses/Premium Revenue	81.8%	78.0%	80.3%	77.7%	80.0%	73.1%
Administration Expenses/Total Revenue	25.3%	30.0%	22.9%	28.8%	40.5%	37.0%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	N/A	N/A	N/A	\$1,358,847	\$1,038,166	\$1,227,881
Estimated Liability of Unpaid Claims Previous Year	\$3,308,090	\$1,864,445	\$1,374,339	\$1,584,747	\$1,383,558	\$1,737,109

Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

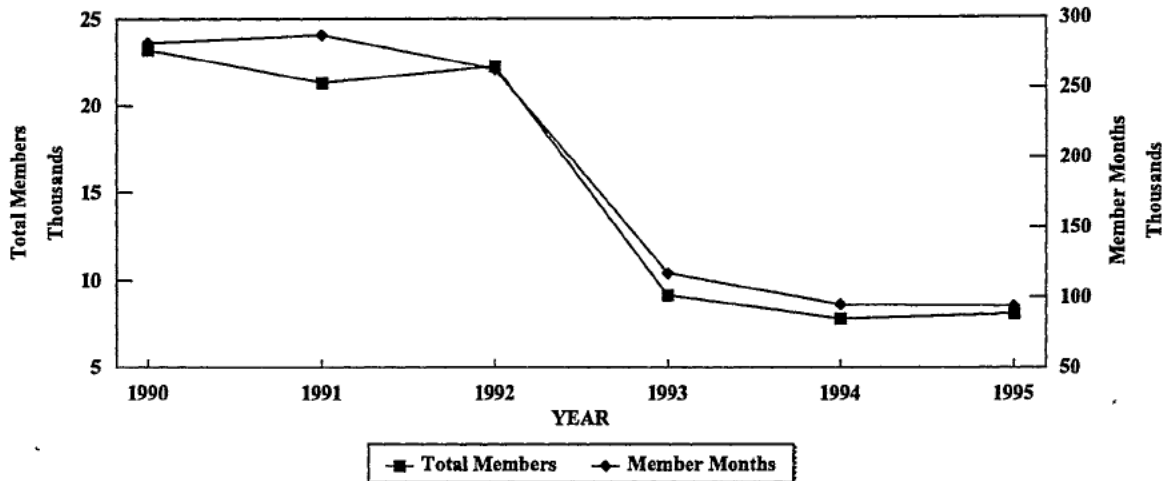
The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.



# CIGNA HealthCare of St. Louis, Inc.

Note: The following enrollment chart and table includes HMO and "FlexCare" (ASO) members for years prior to 1993.

## Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	23,211	21,321	22,247	9,115	7,754	8,053
Total Member Months	282,735	288,170	263,251	117,409	94,559	93,672

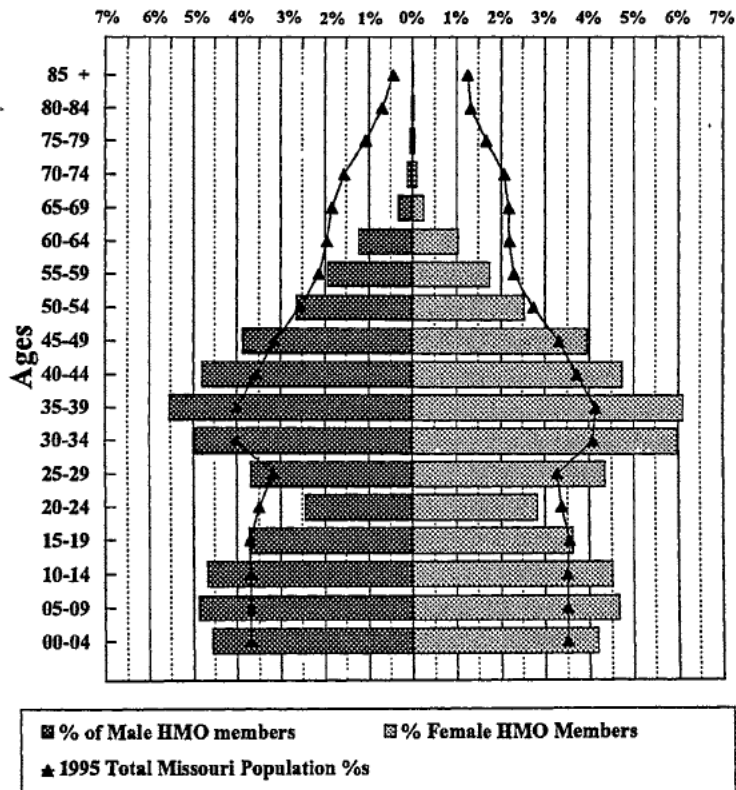
## 1995 Enrollment Demographics

Note: The following enrollment chart and table includes HMO and "FlexCare" (ASO) members residing in all states the company is approved to provide services, i.e. Illinois and Missouri.

Average Age of Enrollees = 29.3

Percentage of Female Enrollees = 50.5%

Males	Females	Totals
5	3	8
7	8	15
20	13	33
51	34	85
134	102	236
511	424	935
806	718	1,524
1,093	1,045	2,138
1,603	1,633	3,236
1,987	1,960	3,947
2,291	2,528	4,819
2,052	2,475	4,527
1,526	1,799	3,325
1,017	1,164	2,181
1,540	1,498	3,038
1,939	1,868	3,807
2,015	1,936	3,951
1,893	1,729	3,622
20,490	20,937	41,427



# Citizens Advantage

**Citizens Advantage**  
P.O. Box 479 or 1500 North Oakland  
Bolivar, MO 65613  
417/777-6000 or 417/326-6000  
State of Domicile: Missouri

**Commenced Business: March 1, 1994**  
**Admitted to Missouri: February 18, 1994**  
**Federally qualified: N/A**  
**Accredited: N/A**  
**Model type: Staff**

An affiliated company of: Citizens Memorial Hospital

## 1995 YEAR-END OFFICERS

President: Donald Joe Babb  
Secretary: Brent Wayne DeRossett  
Chief Financial Officer: Gary Dene Fulbright

## 1995 YEAR-END DIRECTORS

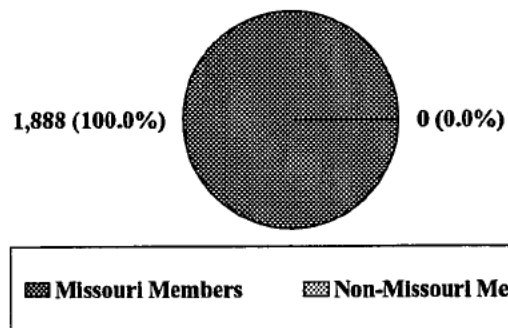
Kerry DeLisle Douglas  
David Gilbert Hacker  
Richard David Magnuson  
Norman Gene Presley  
Joe Ben Shelton  
Wilburn Wayne Wilson

## 1995 MISSOURI ENROLLMENT

Total Missouri member months:  
**22,060**  
Total Missouri members:  
**1,888**

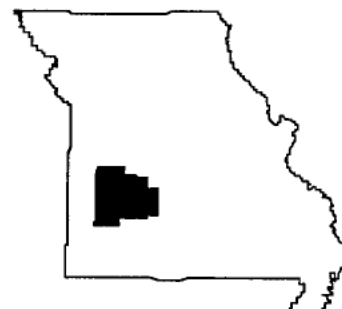
**SERVICE AREA OPERATIONS DATA**  
Number of Missouri hospitals contracted with in service area:  
**5**  
Total number of primary care physicians (PCPs) in service area:  
**18**  
Total number of participating physicians in service area:  
**175**

## 1995 TOTAL ENROLLMENT



## MISSOURI COUNTIES IN SERVICE AREA

Cedar, Dade, Dallas Hickory, Polk, St. Clair



# CITIZENS ADVANTAGE

## NOTES TO FINANCIAL STATEMENTS<sup>1</sup>

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### 1. Organization and Operation

Citizens Advantage operates as a division of the Citizens Memorial Hospital (CMH) District of Polk County, Missouri, which also operates an acute-care hospital in Bolivar, Missouri. The HMO is organized as a staff model, to provide health coverage to Hospital employees and dependents and to various other organizations and individuals in its service area, which includes all of Cedar, Dade, Dallas, Hickory, and Polk counties and a portion of St. Clair County, all in Missouri.

### 2. Significant Accounting Policies

The 1995 Annual Statement presents information for the full CMH corporate entity, therefore the Citizens Advantage data in this summary report also presents the business experience of the full CMH corporate entity. The majority of CMH's services are provided to non-HMO patients. Likewise, the majority of the financial transactions are unrelated to HMO activities. The overall proportion of the HMO division's financial transactions to CMH as a whole is approximately 9% for 1995 and 5% for 1994. Therefore, the Annual Statement of Citizens Advantage, and Citizens Advantage data included in this summary report, will certainly appear unusual when compared to traditional HMO financial statements.

### 3. Related Parties

As of December 31, 1995, Citizens Advantage had 1,888 members, of which 832 were Hospital employees or dependents. An additional 297 members were Citizens Memorial Health Care Foundation employees or dependents. The Foundation is related through common management with the Hospital. The HMO has commercial group and individual members and, as of December 31, 1995, does not conduct Medicare, Medicaid, workers comp, self-funded, nor ASO related services. The HMO does not have a POS plan.

Citizens Memorial Hospital is involved in a joint venture project with three other community-based hospitals in the state for the purpose of developing a jointly owned HMO. The resulting company is planned to assume by proper transition the membership of Citizens Advantage. The new company will concurrently market actively in the local regions served by each of the owner-hospitals. *Subsequent to the filing of the document from which the preceding statement is taken, Missouri Advantage LLC, a health maintenance organization jointly owned by Citizens Memorial Hospital, Audrain Medical Center, Fitzgibbon Memorial Hospital, and Lake of the Ozarks General Hospital became a Missouri-licensed HMO on July 8, 1996.*

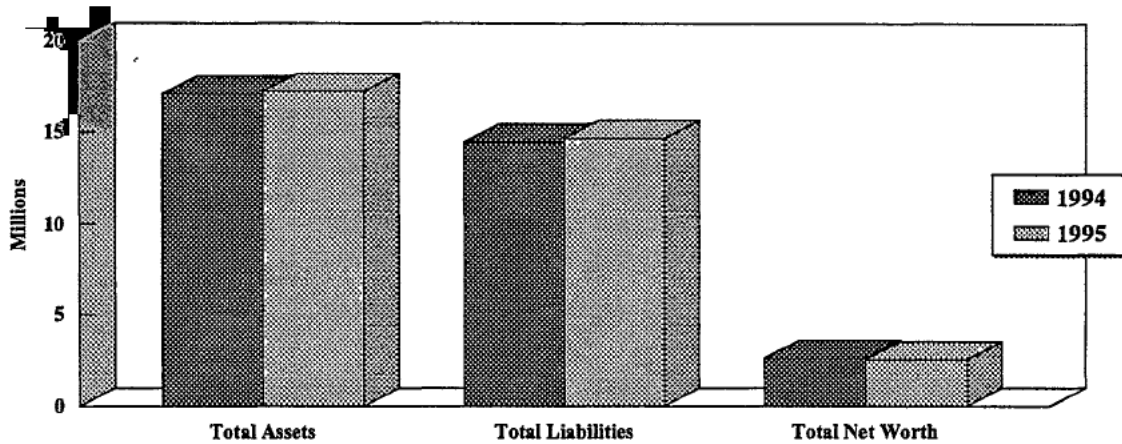
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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the Citizens Advantage HMO. Italicized text indicates unquoted text added for clarification.

# Citizens Advantage

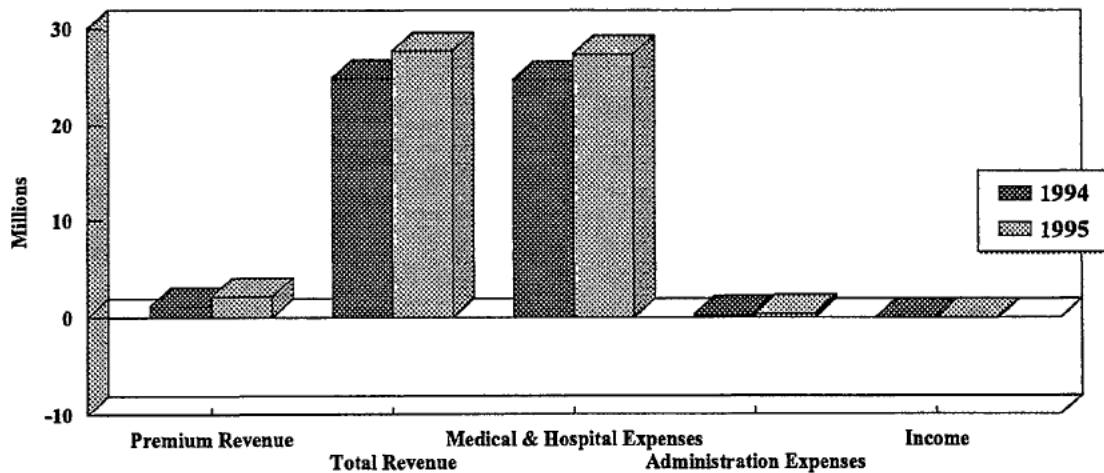
\*Note: The following data, especially administration expenses compared to medical expenses, and premium revenue compared to total revenue, appear unusual due to the annual statement presenting information for the full CMH (Citizens Memorial Hospital District d/b/a Citizens Advantage) corporate entity.

## Balance Sheet Items



Item	1994	1995
Total Assets	\$17,847,428	\$17,198,589
Total Liabilities	\$14,752,663	\$14,660,788
Total Net Worth	\$3,094,765	\$2,537,801

## Income Statement Items

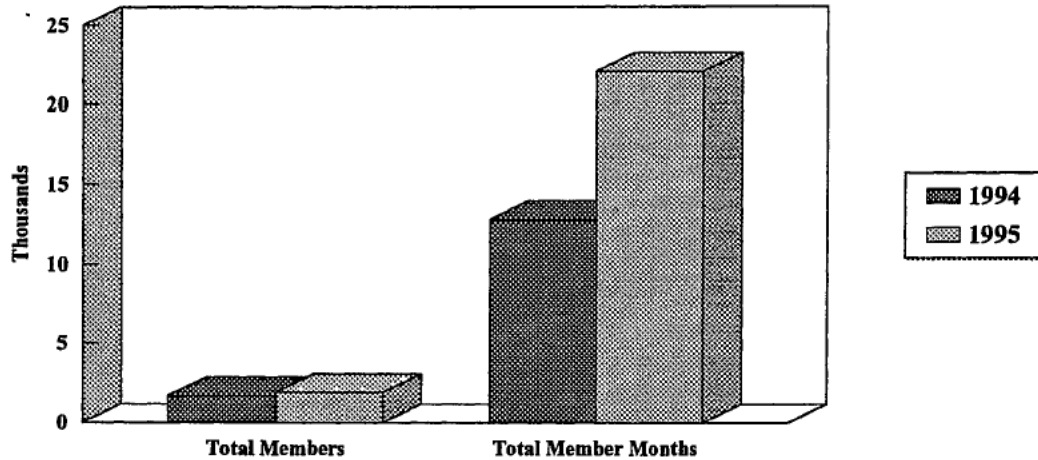


Item	1994	1995
Premium Revenue	\$1,104,749	\$2,109,563
Total Revenue	*\$24,836,265	*\$27,692,209
Medical & Hospital Expenses	*\$24,650,486	*\$27,404,647
Administration Expenses	*\$241,909	*\$371,254
Income	(\$56,130)	(\$83,692)

# Citizens Advantage

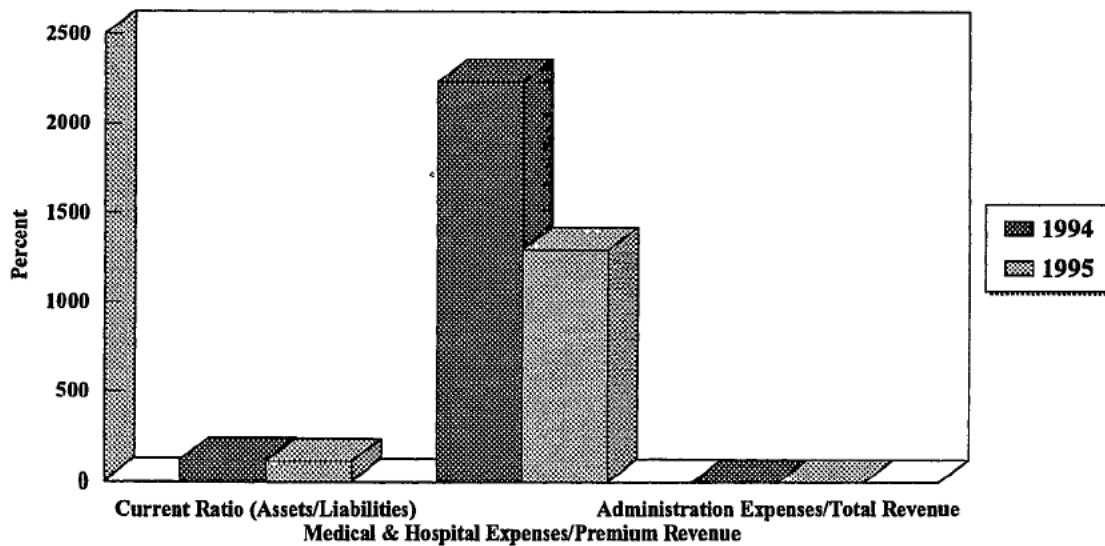
\*Note: The following data, especially administration expenses compared to medical expenses, and premium revenue compared to total revenue, appear unusual due to the annual statement presenting information for the full CMH (Citizens Memorial Hospital District d/b/a Citizens Advantage) corporate entity.

## Enrollment



Item	1994	1995
Total Members	1,675	1,888
Total Member Months	12,782	22,060

## Formulas



Item	1994	1995
Current Ratio (Assets/Liabilities)	114.98%	105.89%
Medical & Hospital Expenses/Premium Revenue	2231.32%*	1299.07%*
Administration Expenses/Total Revenue	0.97%*	1.34%*

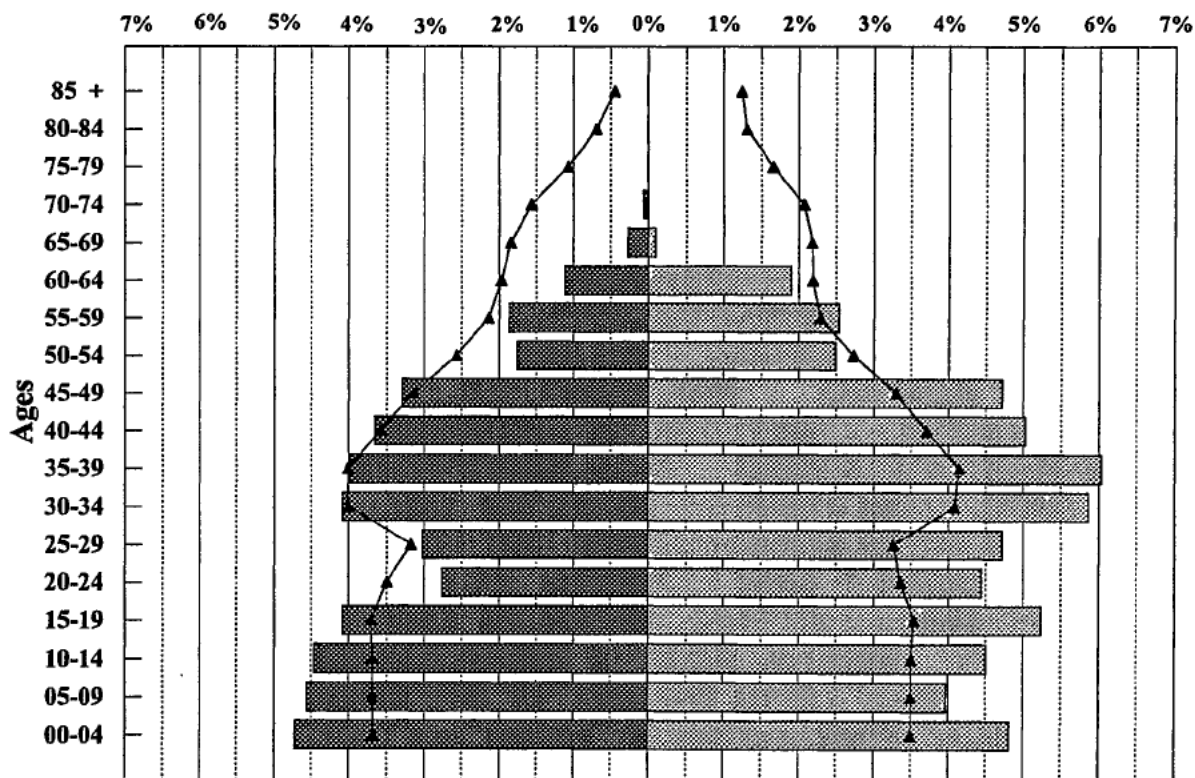
# Citizens Advantage

## 1995 Enrollment Demographics

Average Age of Enrollees = 28.8

Percentage of Female Enrollees = 56.4%

Males	Females	Totals
0	0	0
0	0	0
0	0	0
1	0	1
5	2	7
21	36	57
35	48	83
33	47	80
62	89	151
69	95	164
75	114	189
77	111	188
57	89	146
52	84	136
77	99	176
84	85	169
86	75	161
89	91	180
823	1,065	1,888



■ % of Male HMO members

■ % Female HMO Members

▲ 1995 Total Missouri Population %s

# Community Health Plan

**Community Health Plan**  
**5301 Faraon**  
**St. Joseph, MO 64506-3817**  
**816/271-1247**  
**State of Domicile: Missouri**

**Commenced Business: September 8, 1994**  
**Admitted to Missouri: December 29, 1994**  
**Federally qualified: N/A**  
**Accredited: N/A**  
**Model type: Network**

**An affiliated company of: Heartland Health Systems**

## 1995 YEAR-END OFFICERS

**President: Lowell Charles Kruse**  
**Secretary: John Paul Wilson**  
**Chief Financial Officer: John Paul Wilson**  
**Other Officers: Joan Elizabeth Copeland,**  
**Edna Marie Fuller,**  
**Douglas Martin Brandt**

## 1995 YEAR-END DIRECTORS

**Charles William Salanski, Rajagopal Rao Rangenini, M.D.**  
**William Lyle Bassitt, John Wesley Richmond**  
**Raymond Gartrell Brazier, William Frederick Rippe, M.D.**  
**Billy Dean Cole, Danny Lee West**  
**John Perry Clemens, Delbert Lee Wood**  
**Lowell Charles Kruse**

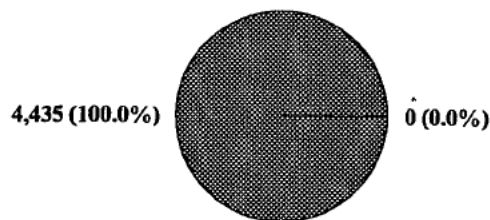
## 1994 MISSOURI ENROLLMENT

**Total Missouri member months:**  
**26,521**  
**Total Missouri members:**  
**4,435**

## SERVICE AREA OPERATIONS DATA

**Number of Missouri hospitals contracted with in Missouri:**  
**23 (28 including those outside Missouri service area)**  
**Total number of primary care physicians (PCPs) in Missouri:**  
**134 (156 including PCPs outside Missouri service area)**  
**Total number of participating physicians in all service areas:**  
**1,210**

## 1994 TOTAL ENROLLMENT



■ Missouri Members    ■ Non-Missouri Members

## MISSOURI COUNTIES IN SERVICE AREA

**Andrew, Atchison, Buchanan, Caldwell, Carroll, Clay Clinton, Daviess, Dekalb,**  
**Gentry, Grundy, Harrison, Holt, Jackson, Lafayette, Livingston, Mercer,**  
**Nodaway, Platte, Ray, Worth**



## NON-MISSOURI COUNTIES IN SERVICE AREA

**Decatur IA, Fremont IA, Page IA, Ringgold IA, Taylor IA, Atchison KS, Brown KS, Doniphan KS, Jackson KS, Jefferson KS, Leavenworth KS, Nemaha KS, Wyandotte KS,**  
**Johnson NE, Nemaha NE, Otoe NE, Pawnee NE, Richardson NE**

# COMMUNITY HEALTH PLAN

## NOTES TO FINANCIAL STATEMENTS<sup>1</sup>

---

### 1. Organization and Operation

Formation of Community Health Plan, Inc. (the Company) was approved on June 20, 1994 and was incorporated on September 8, 1994 as a Missouri not-for-profit corporation. The Company received its Certificate of Authority as a Health Maintenance Organization from the Missouri Department of Insurance on December 29, 1994. The Company is governed by an eleven-member Board of Directors, representing business, community, and medical constituencies.

The Company is a wholly-owned subsidiary of Heartland Health System (Heartland), St. Joseph, Missouri. Heartland and the Company have common officers and members on their respective governing boards. The purpose of the Company is to provide organized health maintenance and health care delivery systems and to provide comprehensive health care services on a prepaid basis. The Company contracts with independent physician associations (IPA) to provide medical services to its members. The Company pays negotiated fees for services provided by the physicians.

### 2. Related Parties

Activities through June 30, 1995 consisted entirely of planning and other start-up efforts. The Company accepted its first insurance contract (for employees of Heartland) effective July 1, 1995. The employee group of the parent Company and its subsidiaries was the only group enrolled in calendar 1995. No administrative service only contracts were established in calendar 1995. Seven new groups were added as of January 1, 1996, two as of February 1, 1996, and one more as of April 1, 1996.

In early 1996, the Missouri Medicaid Managed Care Program Request for Proposal (RFP) for Northwest Missouri was released. As the number of bidders for this area is limited, the Company expects to enroll at least 9,000 members from the sixteen county region. The start date for the Medicaid program is tentatively November 1, 1996.

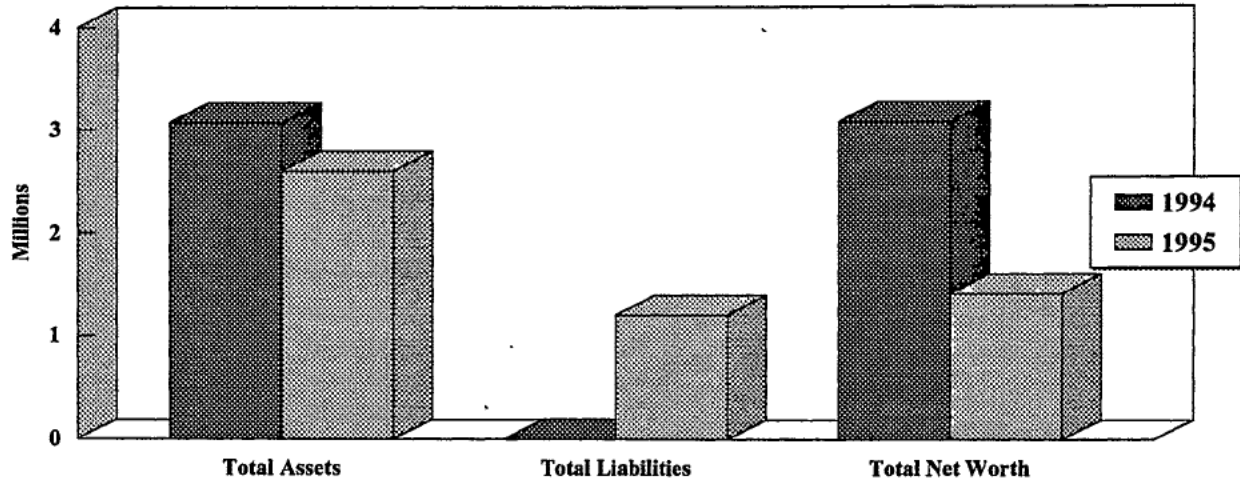
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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the Community Health Plan.



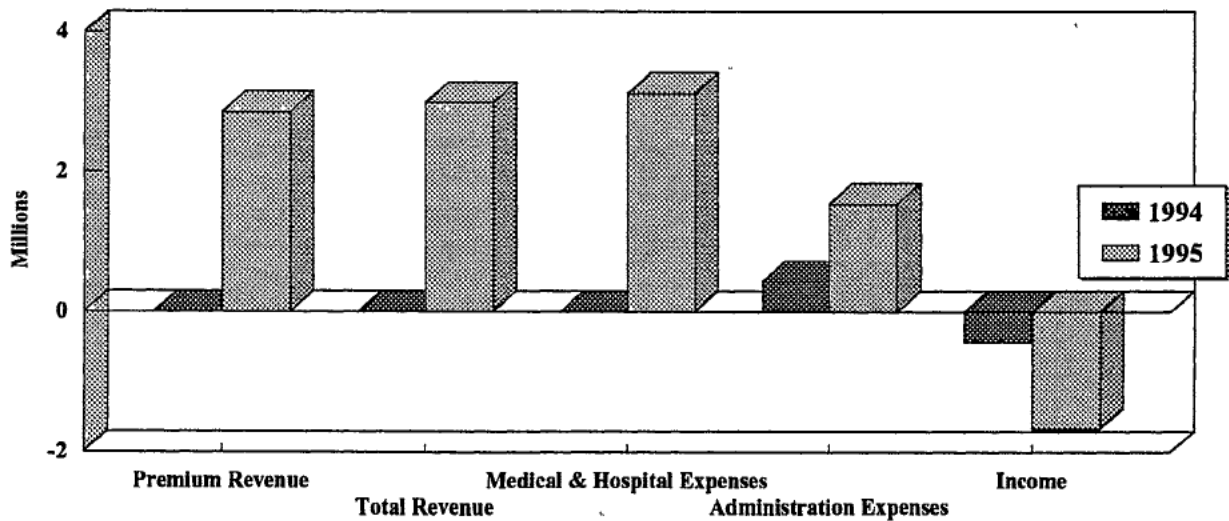
# Community Health Plan

## Balance Sheet Items



Item	1994	1995
Total Assets	\$3,070,309	\$2,600,257
Total Liabilities	\$1,281	\$1,198,750
Total Net Worth	\$3,069,028	\$1,401,507

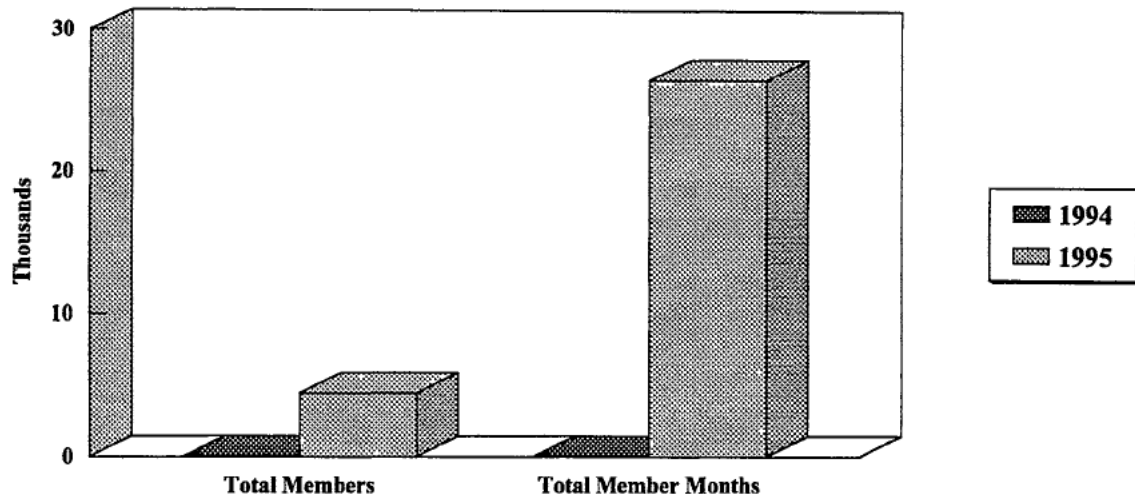
## Income Statement Items



Item	1994	1995
Premium Revenue	\$0	\$2,853,285
Total Revenue	\$0	\$2,990,886
Medical & Hospital Expenses	\$0	\$3,121,289
Administration Expenses	\$430,972	\$1,537,118
Income	(\$430,972)	(\$1,667,521)

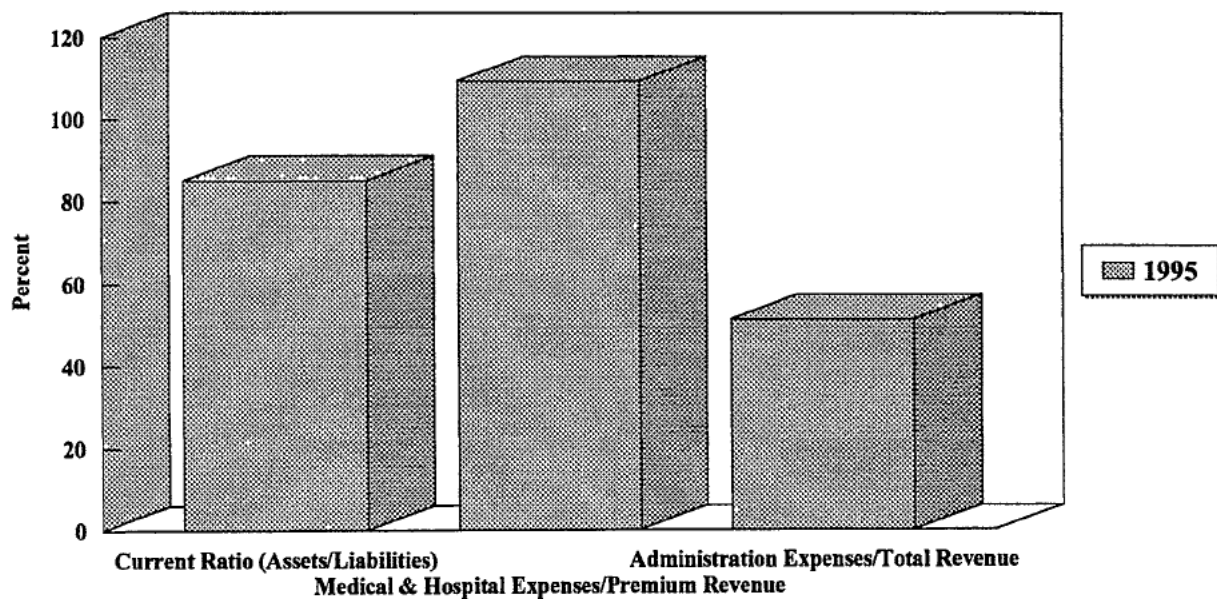
# Community Health Plan

## Enrollment



Item	1994	1995
Total Members	0	4,435
Total Member Months	0	26,521

## Formulas



Item	1994	1995
Current Ratio (Assets/Liabilities)	215,375%	85.10%
Medical & Hospital Expenses/Premium Revenue	N/A	109.39%
Administration Expenses/Total Revenue	N/A	51.39%

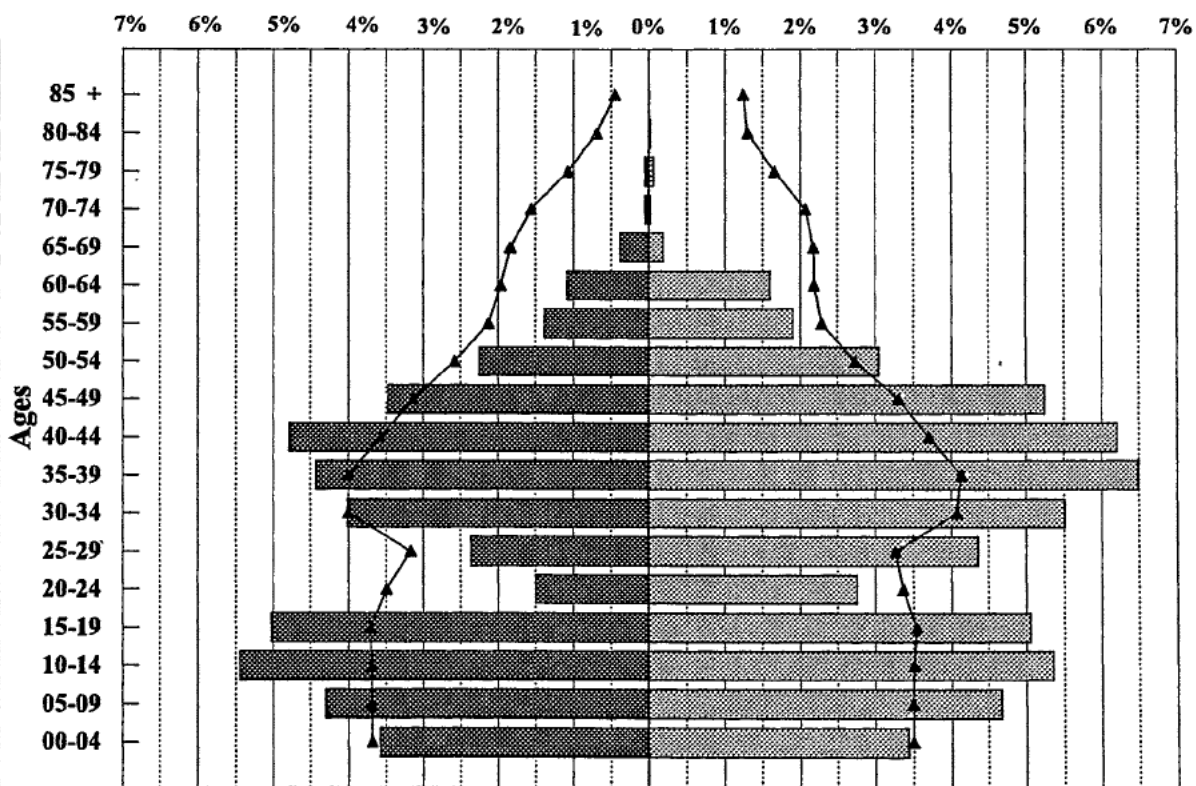
# Community Health Plan

## 1995 Enrollment Demographics

Average Age of Enrollees = 29.6

Percentage of Female Enrollees = 56.0%

Males	Females	Totals
0	0	0
0	1	1
2	3	5
2	1	3
17	9	26
49	73	122
63	87	150
102	139	241
158	239	397
218	283	501
202	296	498
183	251	434
107	199	306
68	126	194
229	230	459
248	244	492
196	213	409
163	157	320
2,007	2,551	4,558



■ % of Male HMO members      ■ % Female HMO Members  
 ▲ 1995 Total Missouri Population %

# Exclusive Healthcare, Inc.

## Exclusive Healthcare, Inc.

Mutual of Omaha Plaza

Omaha, NE 68175

402/351-8101 or 402/978-2869

State of Domicile: Nebraska

An affiliated company of: Mutual of Omaha Insurance Company

Incorporated: December 18, 1987

Admitted to Missouri: May 31, 1990

Federally qualified: N/A

Accredited: Utilization Review Accreditation Commission of Nebraska

Model type: Network

## 1995 YEAR-END OFFICERS

President: William Duane Ketner Jr.

Secretary: William Duane Ketner Jr.

Chief Financial Officer: Michael Joseph Jareske

Other Officers: Delmer Yoshihiro Huff,  
Robert Samuel Murphy,  
Marcus Garvey Wilson, M.D.

## 1995 YEAR-END DIRECTORS

Stephen Robert Booma, William Thomas Holt,

Randall Craig Horn, Michael Joseph Jareske,

William Duane Ketner Jr., Stephen Edward Kohoskie

Daniel Paul Neary

## SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Missouri service areas:

24

Total number of primary care physicians (PCPs) in Missouri service areas:

517

Total number of participating physicians in all service areas:

6,227

## 1995 MISSOURI ENROLLMENT

Total Missouri member months:

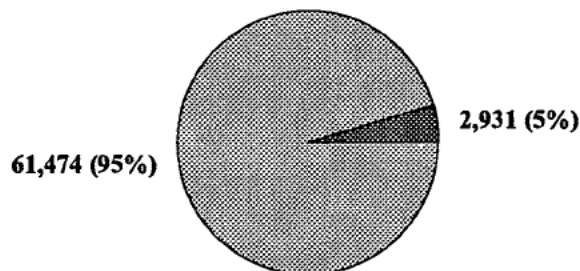
41,589

Missouri members:

2,931

## 1995 TOTAL ENROLLMENT

Non-Missouri HMO enrollment includes HMO members in Illinois, Iowa, Kansas, Nebraska, Nevada, and Texas.



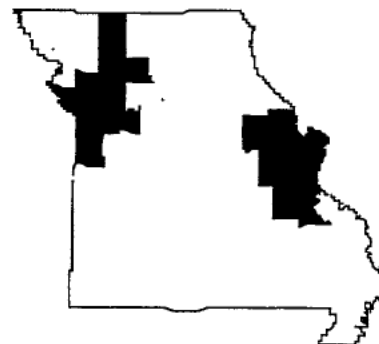
■ Missouri HMO members  
■ Non-Missouri HMO Members

## MISSOURI COUNTIES IN SERVICE AREA

Caldwell, Cass, Clay, Clinton, Daviess, Franklin, Harrison, Jackson, Jefferson, Lafayette, Lincoln, Livingston, Montgomery, Platte, Ray, St. Charles, St. Francois, St. Louis, St. Louis City, Warren, Washington

## ILLINOIS & KANSAS COUNTIES IN SERVICE AREA

Macopin IL, Madison IL, Monroe IL, St. Clair IL, Douglas KS, Johnson KS, Leavenworth KS, Miami KS, Wyandotte KS



# EXCLUSIVE HEALTHCARE, INC.

## NOTES TO FINANCIAL STATEMENTS<sup>1</sup>

---

### 1. Organization and Operation

Exclusive Healthcare, Inc. (the Company) provides comprehensive health maintenance services to enrollees through arrangements with healthcare and other providers. Members enroll in the plan through subscriber contracts issued to employer groups, or through Medicaid. The Company operates as a Nebraska corporation and is a wholly-owned subsidiary of Mutual of Omaha Health Plans, Inc. (MOHP), which is a wholly-owned subsidiary of Mutual of Omaha Insurance Company (Mutual). The Company operates as a licensed Health Maintenance Organization (HMO) in seven states; Illinois, Iowa, Kansas, Missouri, Nebraska, Nevada, and Texas.

### 2. Significant Accounting Policies

Results of 1995 operations were impacted by the sale of 50% of stock ownership of the subsidiary Exclusive Healthcare of Colorado, Inc. (EPIC), to Primera, LLC, a Colorado health care provider organization, and the magnitude of the undistributed operating losses of subsidiaries. Included in the aggregate write-ins for other revenues is \$4.5 million in undistributed losses of subsidiaries. Also included in the aggregate write-ins is \$3.5 million in fee income associated with administrative services only (ASO) contracts, for which various employers retain all health care service risks. The Company does not reflect payment of ASO medical and hospital expenses in its Statement of Revenue and Expenses. Such expenses approximated \$22,168,000 in 1995. The ratio of administrative expenses to total revenue presented in the annual statement, and this summary report, is somewhat misleading since the equivalent premiums on ASO business are excluded from total revenues. The ratio of administrative expenses to total revenues including premium equivalents increased from 11.5% in 1994 to 13.8% in 1995. This compares to the annual statement reported expense ratio which increased from 13.9% in 1994 to 18.6% in 1995. This increase in expense primarily reflects an increase in expenditures in sites that do not yet have a mature membership base. The ratio of administration expenses to total revenue is expected to improve with the growth in those sites. In addition, the Company has exited the St. Louis market due to low membership.

### 3. Risk/Incentive Sharing

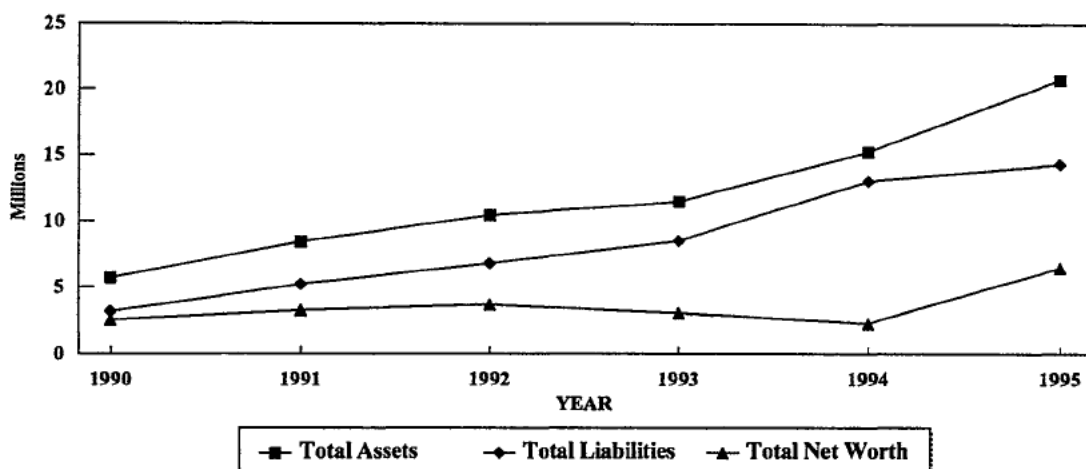
The Company contracts with various health care providers for the provision for certain related medical care to its members. The Company generally compensates those providers on either a capitation or fee for service basis. As part of a cost control incentive program the Company withholds up to 20% of physician compensation as a medical cost risk-sharing fund. In the event of medical care utilization in excess of targeted levels, those physicians bear the risk to the extent of the withheld compensation. In addition, physicians are eligible for additional payments on an annual basis when their actual utilization is less than targeted levels.

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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the Exclusive Healthcare, Inc.

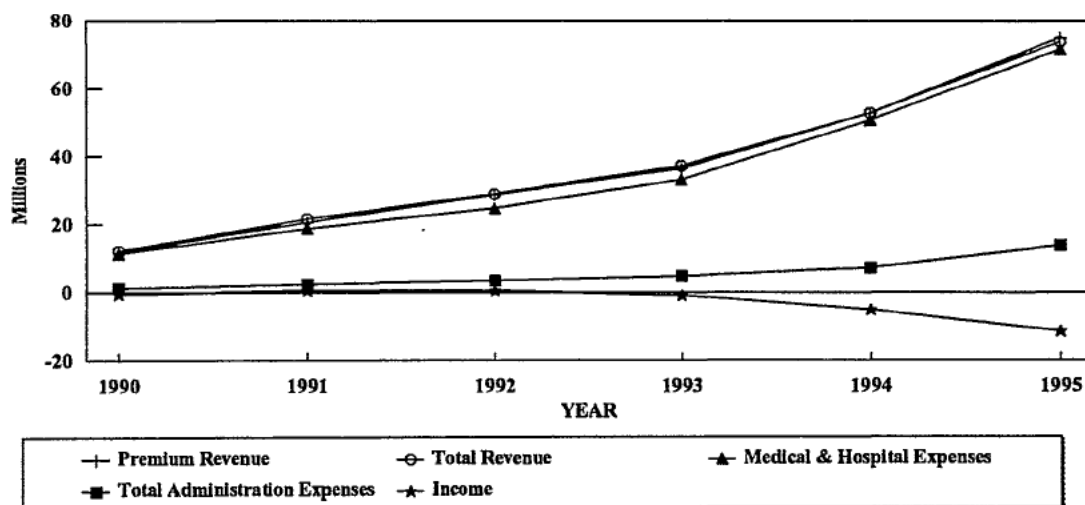
# Exclusive Healthcare, Inc.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$5,665,995	\$8,406,093	\$10,429,528	\$11,504,560	\$15,273,195	\$20,772,011
Total Liabilities	\$3,145,085	\$5,150,389	\$6,769,433	\$8,485,667	\$13,022,628	\$14,366,016
Total Net Worth	\$2,520,910	\$3,255,704	\$3,660,095	\$3,018,893	\$2,250,567	\$6,405,995

## Income Statement Items

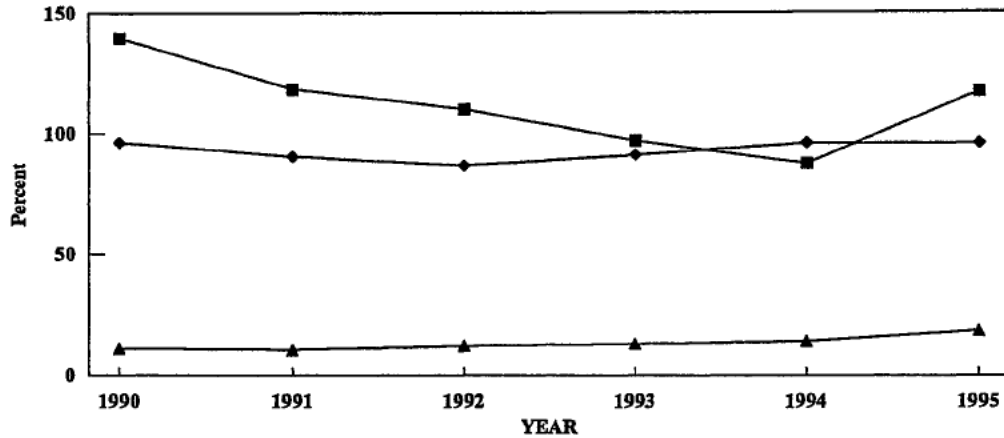


Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$11,705,785	\$20,584,532	\$28,537,137	\$36,462,001	\$52,879,521	\$74,839,785
Total Revenue	\$12,139,567	\$21,484,986	\$28,794,733	\$37,252,529	\$52,893,471	\$73,820,282
Medical & Hospital Expenses	\$11,266,013	\$18,621,775	\$24,711,285	\$33,144,119	\$50,655,920	\$71,592,536
Administration Expenses	\$1,327,451	\$2,269,953	\$3,494,276	\$4,860,191	\$7,326,641	\$13,704,412
Income	(\$453,897)	\$593,258	\$589,172	(\$751,781)	(\$5,089,090)	(\$11,476,666)

# Exclusive Healthcare, Inc.

Note: The following table includes administrative expenses associated with the Administrative Service-Only (ASO) line of business. The ratio of administrative expenses to total revenue is somewhat misleading since the equivalent premiums on ASO business are excluded from total revenues. The ratio of administrative expenses to total revenues including premium equivalents increased from 11.5% in 1994 to 13.8% in 1995.

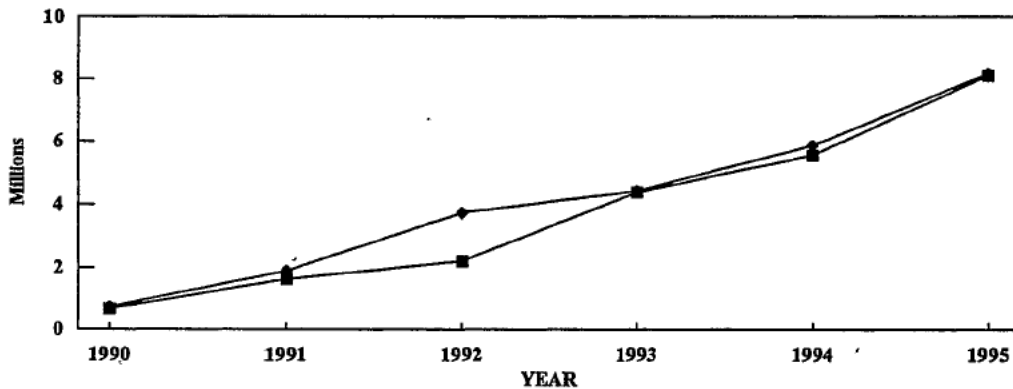
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	139.8%	118.3%	109.9%	96.8%	87.2%	117.1%
Medical & Hospital Expenses/Premium Revenue	96.2%	90.5%	86.6%	90.9%	95.8%	95.7%
Administration Expenses/Total Revenue	10.9%	10.6%	12.1%	13.0%	13.9%	18.6%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$666,604	\$1,627,592	\$2,197,302	\$4,377,190	\$5,555,895	\$8,118,055
Estimated Liability of Unpaid Claims Previous Year	\$728,395	\$1,885,334	\$3,724,736	\$4,423,752	\$5,856,811	\$8,172,095

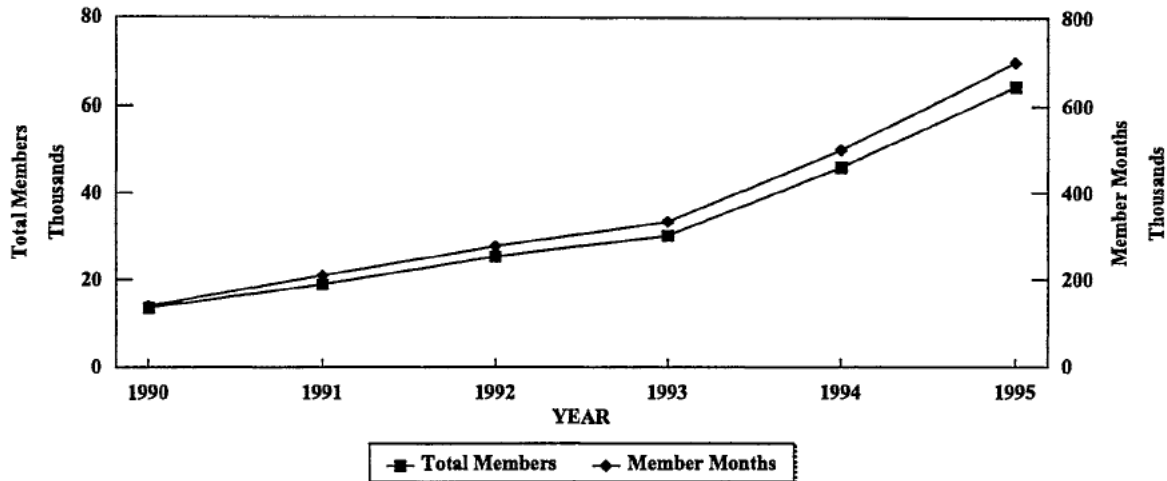
Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# Exclusive Healthcare, Inc.

## Total Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	13,483	18,801	25,309	30,116	45,969	64,405
Total Member Months	138,827	208,865	276,835	332,671	498,557	698,460

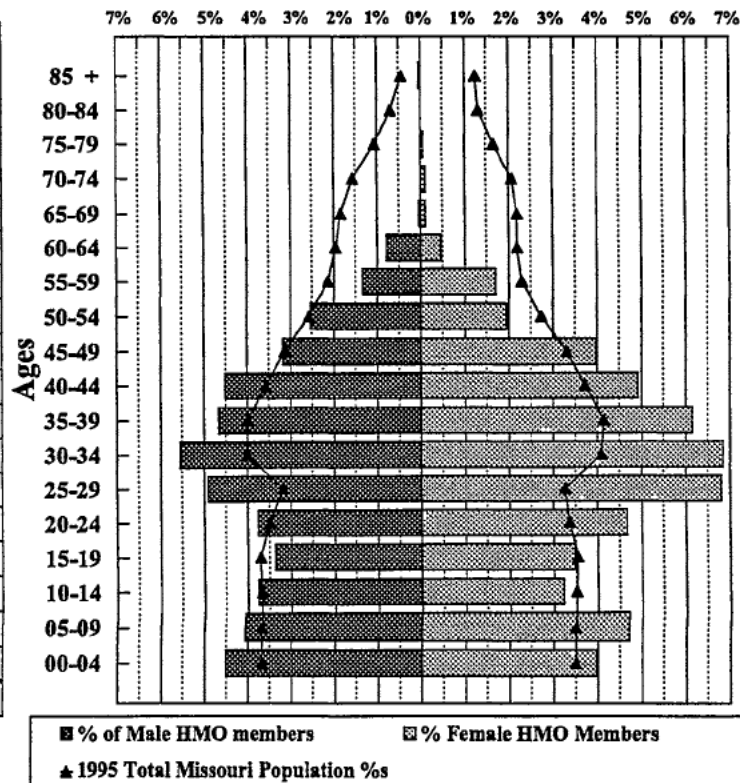
## 1995 Missouri Enrollment Demographics

Note: The following enrollment chart and table only includes HMO members residing in Missouri.

Average Age of Enrollees = 28.6

Percentage of Female Enrollees = 53.0%

Males	Females	Totals
1	0	1
0	0	0
0	1	1
0	2	2
1	2	3
16	9	25
27	34	61
51	39	90
64	80	144
91	99	190
94	124	218
112	138	250
99	137	236
76	94	170
68	70	138
76	65	141
82	95	177
91	80	171
949	1,069	2,018





# GenCare Health Systems, Inc.

**GenCare Health Systems, Inc.**

P.O. Box 419079

St. Louis, MO 63141-9079

800/627-0607

State of Domicile: Missouri

An affiliated company of: United HealthCare Corporation

Incorporated: February 26, 1985

Admitted to Missouri: July 23, 1985

Federally qualified: October 8, 1985

Accredited: N/A

Model type: IPA

## 1995 YEAR-END OFFICERS

President: Thomas Zorumski

Secretary: Brigid M. Spicola

Vice President & Treasurer: David P. Koppe

Other Officers: William W. McGuire, M.D.,

Jeannine M. Rivet

Kevin H. Roche

## 1995 MISSOURI ENROLLMENT

Total Missouri member months (including ASO enrollment):

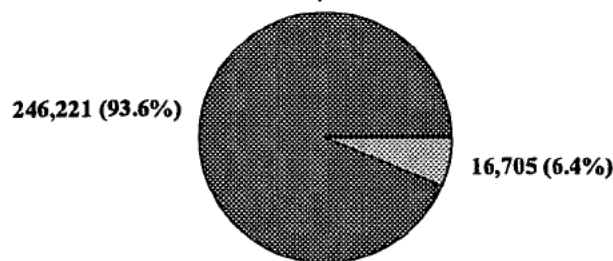
**2,694,591**

Missouri members (including ASO enrollment):

**246,221**

## 1995 TOTAL ENROLLMENT

Non-Missouri enrollment includes Illinois and Kansas HMO (and ASO) members



■ Missouri Members

■ Non-Missouri Members

## ILLINOIS COUNTIES IN SERVICE AREA

Bond, Calhoun, Clinton, Greene, Jersey, Macoupin, Madison, Monroe, Montgomery, Randolph, St. Clair, Williamson

## 1995 YEAR-END DIRECTORS

William W. McGuire, M.D.

David P. Koppe

## SERVICE AREA OPERATIONS DATA

Approximate number of contracted hospitals:

**118**

Approximate number of contracted primary care physicians (PCPs):

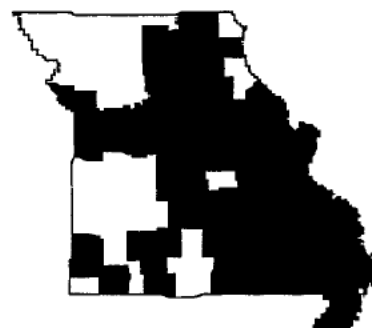
**1,800**

Total number of participating physicians:

**6,270**

## MISSOURI COUNTIES IN SERVICE AREA

Adair, Audrain, Barry, Bollinger, Boone, Butler, Callaway, Camden, Cape Girardeau (POS only), Carter, Cass, Chariton, Christian, Clay, Cole, Cooper, Crawford, Dent, Dunklin, Franklin, Gasconade, Greene, Howard, Howell, Iron, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lewis, Lincoln, Linn, Macon, Madison, Miller, Mississippi (POS), Moniteau, Monroe, Montgomery, Morgan, New Madrid, Newton, Oregon, Osage, Pemiscot, Perry, Pettis, Phelps, Pike, Platte, Pulaski, Randolph, Reynolds, Ripley, St. Charles, St. Francois, Ste. Genevieve, St. Louis, St. Louis City, Schuyler, Scotland, Saline, Scott (POS only), Shannon, Shelby, Stoddard, Sullivan, Taney, Texas, Warren, Washington, Wayne, Webster



## KANSAS COUNTIES IN SERVICE AREA

Johnson, Leavenworth, Miami, Wyandotte

# GENCARE HEALTH SYSTEMS, INC.

## MANAGEMENT DISCUSSION AND ANALYSIS<sup>1</sup>

---

### 1. Organization Overview

GenCare Health Systems, Inc. (the Company), a for-profit health maintenance organization, offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company has entered into contracts with physicians, hospitals and other health care providers pursuant to which such providers deliver medical care to its enrollees on a modified fee-for-service or capitated basis.

On January 3, 1995, the Company was acquired by and became a wholly owned subsidiary of Midwest Physicians Health Programs, Inc., a substantially wholly owned subsidiary of United HealthCare Services Company, Inc., an HMO management corporation which provides services to the Company under terms of a management agreement. United HealthCare Services, Inc. (formerly United Management Company) is a wholly owned subsidiary of United HealthCare Corporation.

The Company has continued its growth in revenues and membership during 1995. The Company's revenues consist primarily of premiums from GenCare HMO and POS products, and in 1995 include revenue from new Medicaid and Medicare Risk contracts. Membership grew from a base 197,846 at year end 1994 to 262,926 members at December 31, 1995, a 33% increase. The growth was attributable to an increase of 43,649 members in commercial groups (*including Administrative Service Only (ASO) membership*), and the addition of membership in Medicaid and Medicare products. Membership of 19,066 resulted from a new Medicaid contract and membership of 2,365 members came from a new Medicare Risk contract.

### 2. Results of Operations (Year Ended December 31, 1995 to Year Ended December 31, 1994)

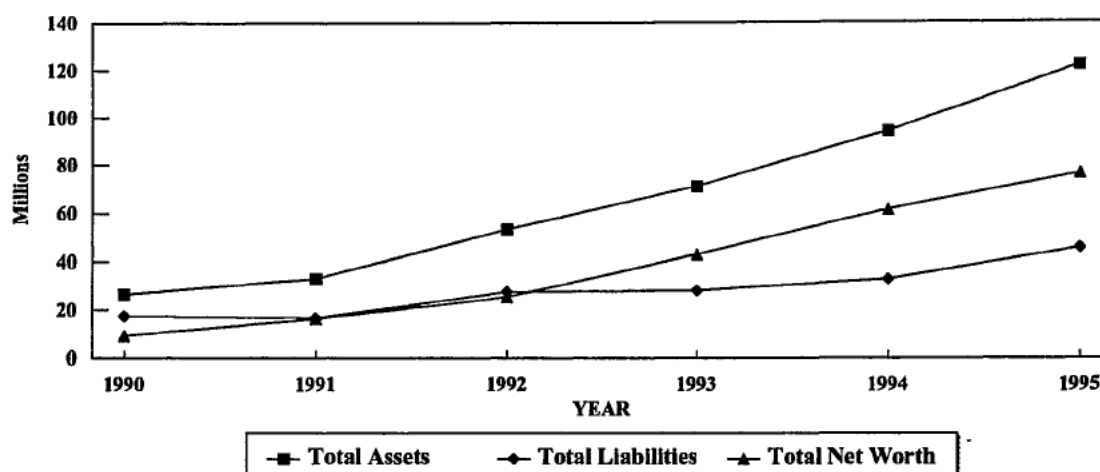
Revenue increased by over \$35 million from 1994 to 1995. This increase was due to an increase in commercial membership of 22% and new Medicare and Medicaid products which combined for over \$10 million in premium revenue in 1995. Commercial premium yields actually decreased slightly in 1995 due to benefit changes and the competitive environment. *This refers to commercial premiums per member per month (including ASO member months) decreasing from \$107 in 1994 to \$93 in 1995.* The medical loss ratio in 1995 was under 81% compared to 79% in 1994. Commercial medical costs, on a per member per month basis, increased by 2% in 1995. Administrative costs, on a per member per month (PMPM) basis increased 32% from 1994 to 1995 (*from \$11.38 PMPM in 1994 to \$15.00 PMPM in 1995, including ASO member months*). This increase was due to increases in the number of employees as the Company has grown, restructuring of the Company, new product development and the expansion of products into additional states.

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<sup>1</sup>Excerpts quoted from GenCare Health Systems, Inc.'s 1995 "Management's Discussion and Analysis" supplemental filing. Italicized text indicates unquoted text added for clarification.

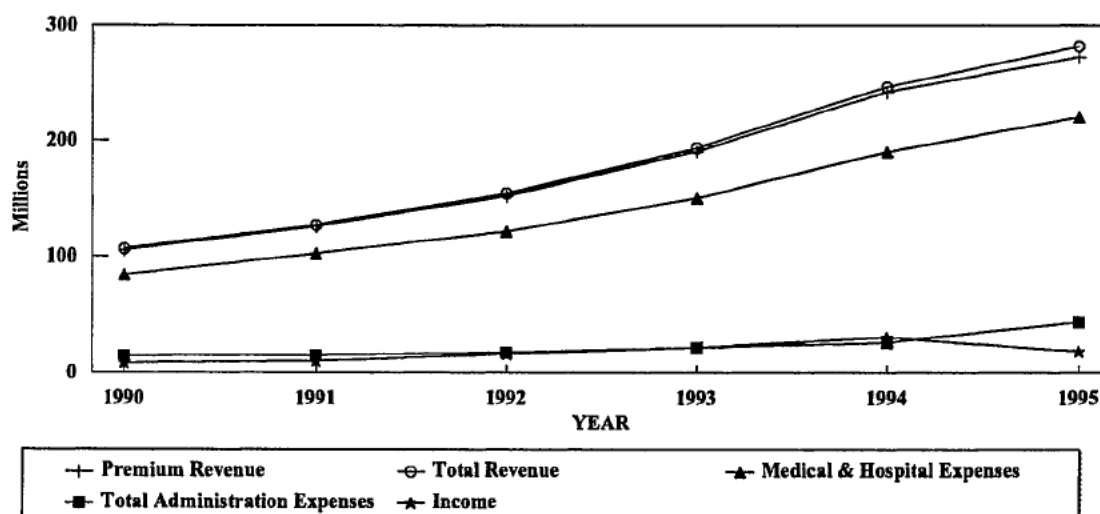
# GenCare Health Systems, Inc.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$26,442,633	\$32,946,929	\$52,884,840	\$70,903,930	\$93,977,383	\$121,738,316
Total Liabilities	\$17,294,792	\$16,609,999	\$27,401,390	\$28,116,949	\$32,718,641	\$45,517,650
Total Net Worth	\$9,147,841	\$16,336,930	\$25,483,450	\$42,786,981	\$61,258,742	\$76,220,666

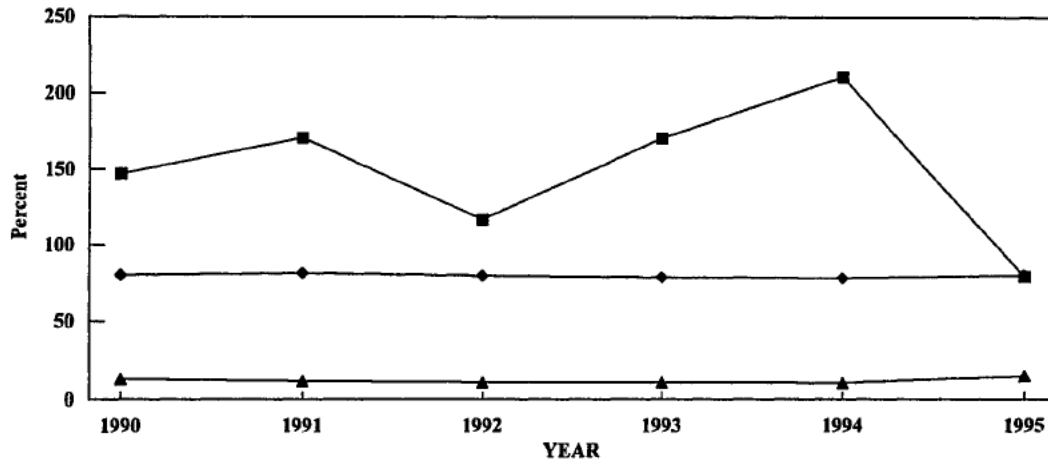
## Income Statement Items



Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$104,551,748	\$125,068,499	\$151,931,842	\$190,346,970	\$241,697,937	\$272,313,289
Total Revenue	\$105,753,365	\$126,527,498	\$153,806,095	\$193,360,352	\$246,070,601	\$281,513,108
Medical & Hospital Expenses	\$83,965,704	\$102,035,320	\$120,889,283	\$150,359,791	\$190,103,934	\$219,996,318
Administration Expenses	\$13,910,835	\$14,876,627	\$17,166,429	\$21,471,231	\$25,625,957	\$43,450,597
Income	\$7,876,826	\$9,615,551	\$15,750,383	\$21,529,330	\$30,340,710	\$18,066,193

# GenCare Health Systems, Inc.

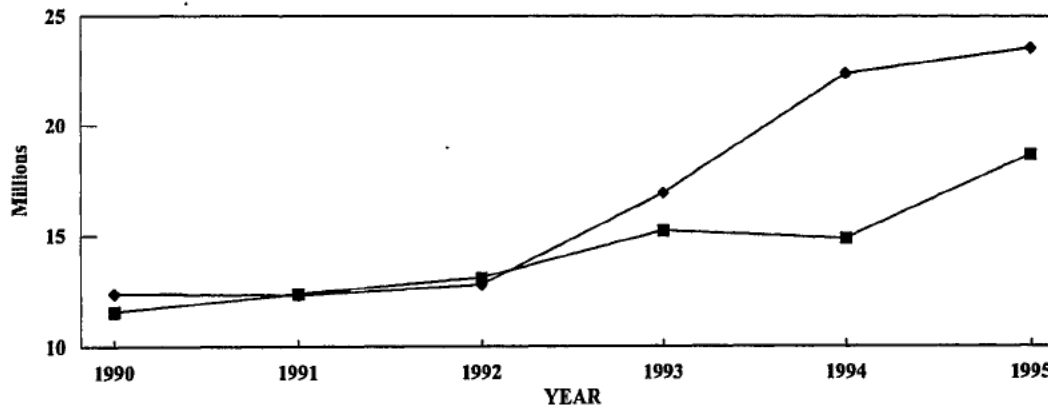
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	147.0%	170.9%	116.6%	170.9%	210.7%	80.0%
Medical & Hospital Expenses/Premium Revenue	80.3%	81.6%	79.6%	79.0%	78.7%	80.8%
Administration Expenses/Total Revenue	13.2%	11.8%	11.2%	11.1%	10.4%	15.4%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$11,580,674	\$12,380,318	\$13,098,683	\$15,228,598	\$14,887,043	\$18,671,498
Estimated Liability of Unpaid Claims Previous Year	\$12,392,915	\$12,325,623	\$12,776,911	\$16,904,895	\$22,377,869	\$23,522,523

Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

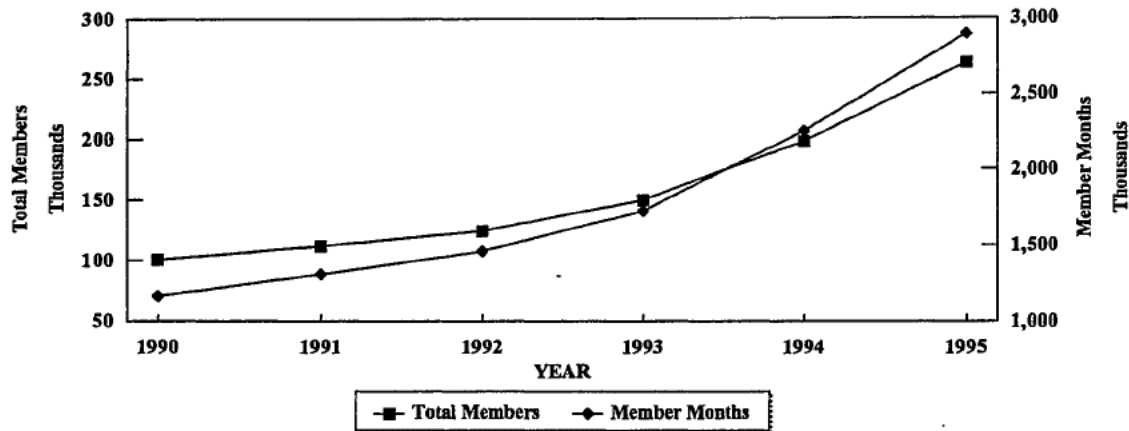
Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# GenCare Health Systems, Inc.

Note: The following enrollment chart and table includes HMO and ASO members residing in Illinois, Kansas, and Missouri.

## Total Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	100,362	111,483	124,450	149,883	197,846	262,926
Total Member Months	1,162,558	1,306,093	1,457,887	1,724,875	2,251,361	2,894,983

## 1995 Missouri HMO Enrollment Demographics

Note: The following enrollment chart and table only includes Missouri HMO members. ASO enrollment is excluded. Approximately 10% of the totals shown are Medicaid recipients.

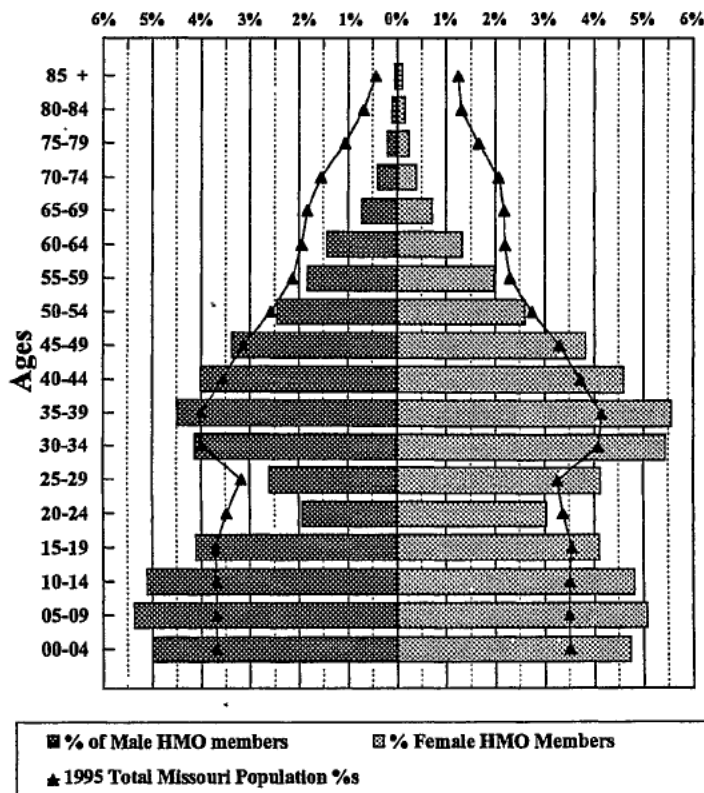
### Average Age of Enrollees

Commercial Members = 30.5  
 Medicare Members = 73.1  
 Medicaid Members = 13.6  
 Total Members = 29.4

### Percentage of Female Enrollees

Commercial Members = 51.8%  
 Medicare Members = 61.3%  
 Medicaid Members = 59.0%  
 Total Members = 52.7%

Males	Females	Totals
97	182	279
204	280	484
387	458	845
778	742	1,520
1,395	1,399	2,794
2,822	2,583	5,405
3,592	3,867	7,459
4,827	5,092	9,919
6,619	7,493	14,112
7,865	9,008	16,873
8,852	10,917	19,769
8,128	10,681	18,809
5,112	8,088	13,200
3,803	5,931	9,734
8,065	8,025	16,090
10,051	9,443	19,494
10,536	9,944	20,480
9,789	9,253	19,042
92,922	103,386	196,308



# Good Health HMO, Inc., d/b/a Blue-Care, Inc.

**Good Health HMO, Inc., d/b/a Blue-Care, Inc.**

**One Pershing Square, 2301 Main Street**

**Kansas City, MO 64108**

**816/395-2222 or 816/561-2300**

**State of Domicile: Missouri**

**An affiliated company of: Blue Cross and Blue Shield of Kansas City**

**Incorporated: October 12, 1988**

**Admitted to Missouri: September 28, 1988**

**Federally qualified: N/A**

**Accredited: NCQA**

**Model type: IPA**

## 1995 YEAR-END OFFICERS

**President: Larry Kent Chastain**

**Secretary: Michael Trent Marcotte**

**Chief Financial Officer: Charles Gary Deanhardt**

**Other Officers: Richard Preston Krecker, Chairman**

## 1995 YEAR-END DIRECTORS

**Richard Preston Krecker**

**Larry Kent Chastain**

**Michael Trent Marcotte**

## SERVICE AREA OPERATIONS DATA

**Number of hospitals contracted with in Kansas and Missouri:**

**28**

**Approximate number of primary care physicians in Kansas and Missouri:**

**485**

**Total number of participating physicians in Kansas and Missouri:**

**1,200**

## 1995 MISSOURI ENROLLMENT

**Total Missouri member months:**

**180,852**

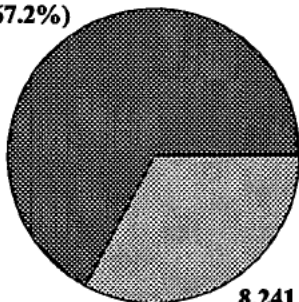
**Total Missouri members:**

**16,872**

## 1995 TOTAL ENROLLMENT

**Non-Missouri enrollment includes Kansas members**

**16,872 (67.2%)**



**8,241 (32.8%)**

**■ Missouri Members**

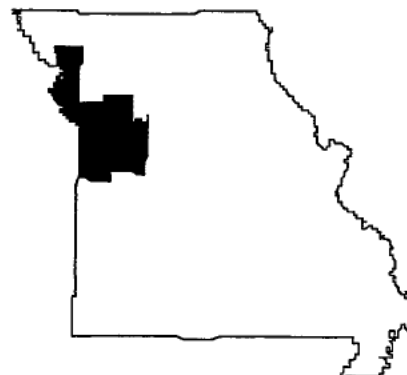
**■ Non-Missouri Members**

## MISSOURI COUNTIES IN SERVICE AREA

**Andrew, Buchanan, Cass, Clay, Jackson, Johnson, Lafayette, Platte, Ray**

## KANSAS COUNTIES IN SERVICE AREA

**Johnson, Wyandotte**



# **GOOD HEALTH HMO, INC., d/b/a BLUE-CARE**

## **NOTES TO FINANCIAL STATEMENTS<sup>1</sup>**

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### **1. Organization and Operation**

Good Health HMO, Inc. (the Company) is a wholly owned subsidiary of Blue Cross and Blue Shield of Kansas City. The Company markets HMO benefits under the name of Blue-Care. The Company operates as an Independence Practice Association, providing comprehensive health services to its members on a prepaid basis. The Company is licensed by the states of Missouri and Kansas and regulated under state statutes pertaining to HMO's. The Company currently serves the Kansas City metropolitan area. The Company has contracted with the Health Care Finance Administration to provide benefits to Medicare qualified enrollees on a risk basis under section 1876(g) of the Social Security Act. Supplemental benefits available to Medicare qualified enrollees are provided in return for a supplemental premium collected from employer groups or Medicare eligible individuals. At December 31, 1995, approximately 4% of all members were represented by Medicare members.

### **2. Significant Accounting Policies**

Administrative Service Only (ASO) contracts are those for which the various employers retain all health care service risks, while the Company assumes administrative risk. The Company does not reflect payment of ASO claims in its Statement of Revenue and Expenses. Total self-insured health care serviced ASO benefits approximated \$18,202,000 and \$15,790,000 in 1995 and 1994, respectively.

### **3. Risk/Incentive Sharing**

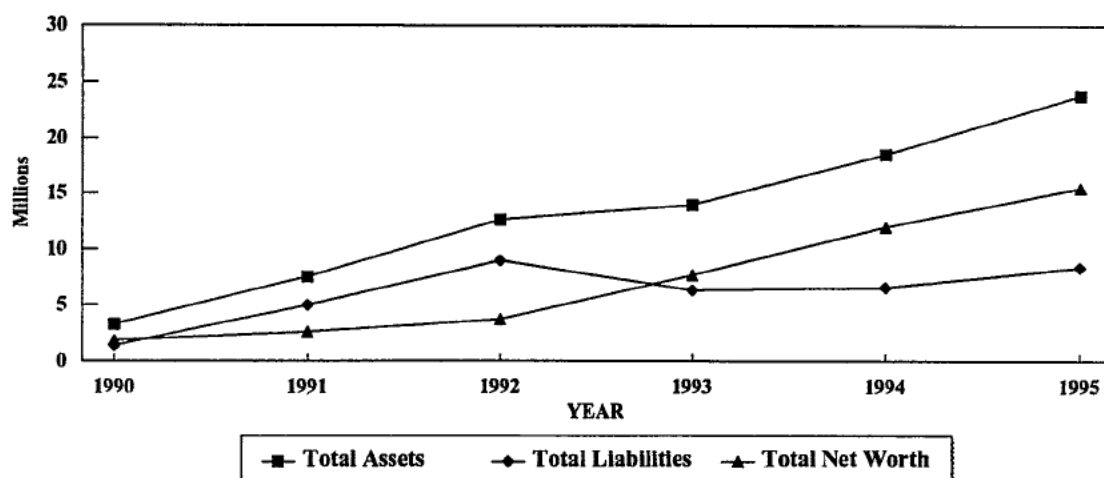
Contracts with the primary care physicians contain provisions for payment of capitated services and risk sharing incentives. Under the terms of the contracts, the Company and the physicians share in the programs gains or losses. The physicians' loss is limited to 25% of their capitation fund and is shared equally with the Company up to that limit, while program gains in the referral fund are divided equally between the physicians who have a surplus in their individual referral fund and the Company.

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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the Good Health HMO, Inc., d/b/a Blue-Care.

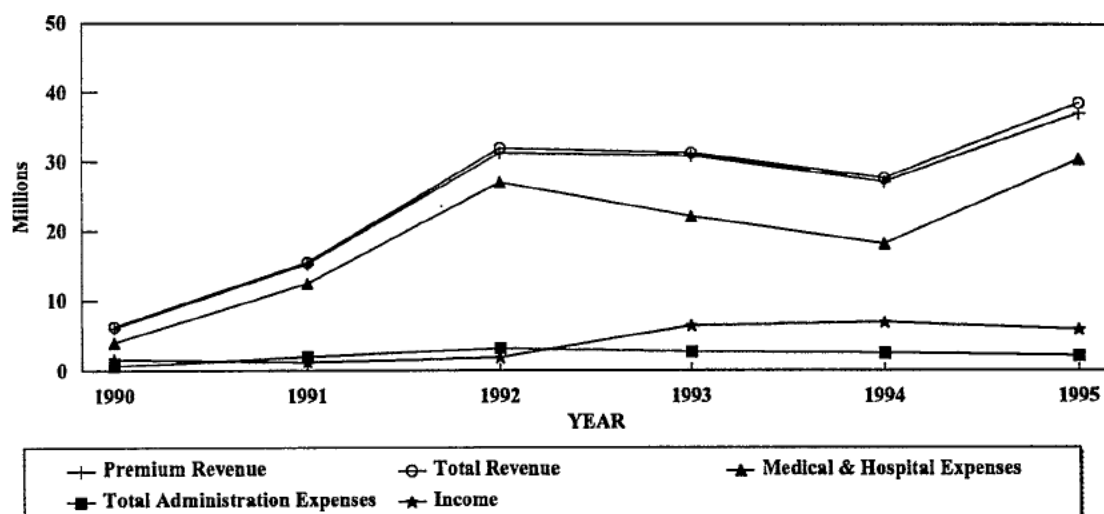
# Good Health HMO, Inc., d/b/a Blue-Care, Inc.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$3,203,001	\$7,519,938	\$12,655,488	\$14,002,983	\$18,541,521	\$23,902,753
Total Liabilities	\$1,361,097	\$4,970,288	\$8,970,796	\$6,302,034	\$6,524,780	\$8,380,772
Total Net Worth	\$1,841,904	\$2,549,650	\$3,684,692	\$7,700,949	\$12,016,741	\$15,521,981

## Income Statement Items

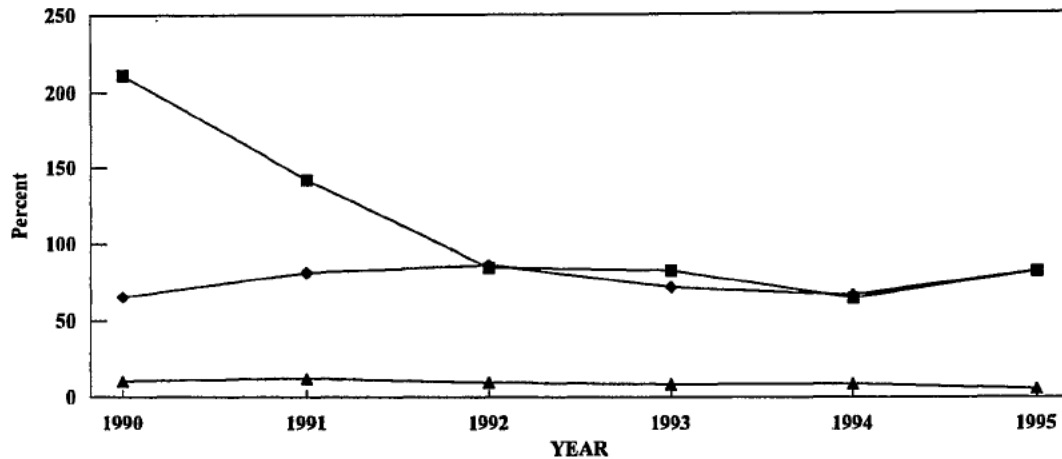


Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$6,066,343	\$15,301,961	\$31,362,066	\$30,925,211	\$27,216,373	\$37,108,648
Total Revenue	\$6,213,473	\$15,497,591	\$32,003,691	\$31,335,693	\$27,699,209	\$38,559,443
Medical & Hospital Expenses	\$3,987,115	\$12,445,976	\$27,025,795	\$22,170,656	\$18,252,568	\$30,527,123
Administration Expenses	\$646,116	\$1,890,869	\$3,150,854	\$2,693,780	\$2,513,849	\$2,122,580
Income	\$1,580,242	\$1,160,746	\$1,827,042	\$6,471,257	\$6,932,792	\$5,909,740



# Good Health HMO, Inc., d/b/a Blue-Care, Inc.

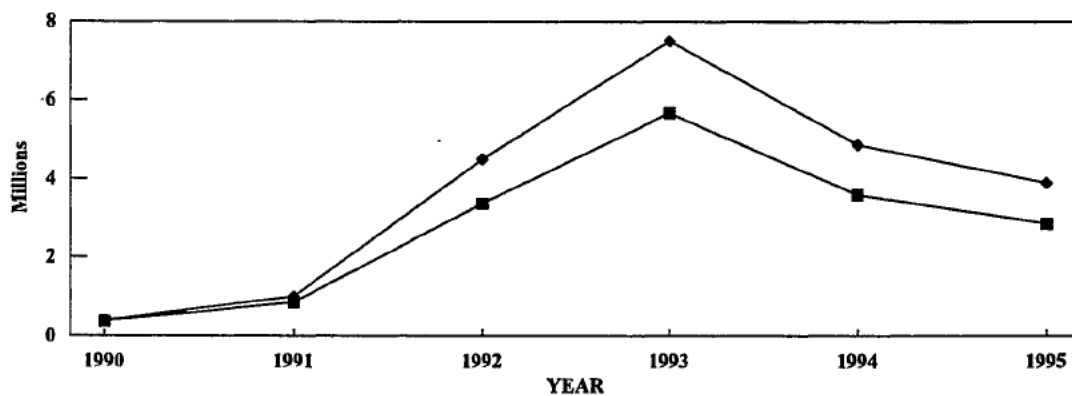
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	211.5%	141.7%	84.7%	82.8%	64.5%	82.3%
Medical & Hospital Expenses/Premium Revenue	65.7%	81.3%	86.2%	71.7%	67.1%	82.3%
Administration Expenses/Total Revenue	10.4%	12.2%	9.8%	8.6%	9.1%	5.5%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$374,926	\$847,079	\$3,365,231	\$5,665,900	\$3,585,776	\$2,853,299
Estimated Liability of Unpaid Claims Previous Year	\$394,804	\$988,501	\$4,486,471	\$7,500,704	\$4,863,298	\$3,905,208

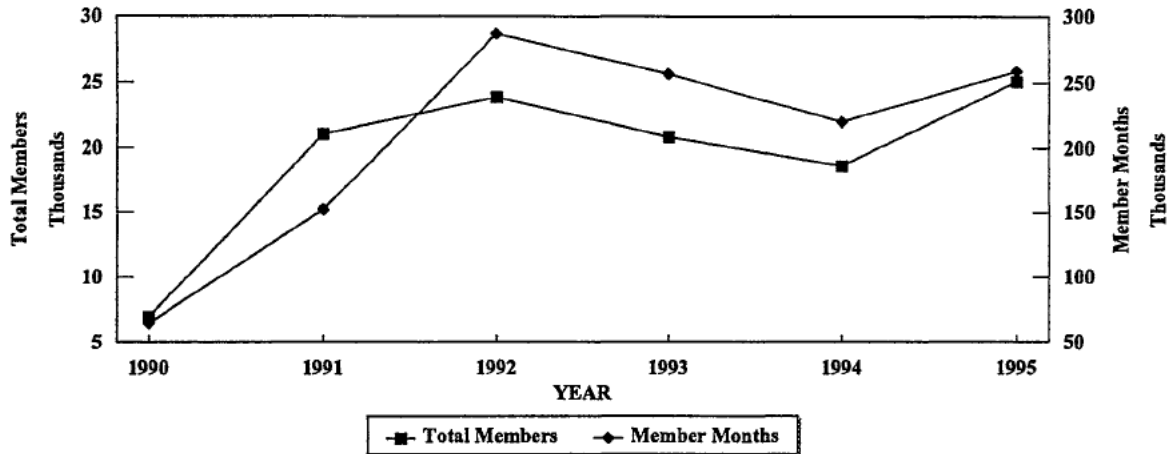
Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# Good Health HMO, Inc., d/b/a Blue-Care, Inc.

## Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	6,885	21,035	23,865	20,821	18,594	25,113
Total Member Months	63,947	151,996	286,636	256,116	220,055	258,666

## 1995 Enrollment Demographics

Note: Although the lines in the following chart depict the distribution of total Missouri population, the bars actually represent all HMO members including those residing in Kansas and Missouri. Approximately 7% of the gender counts shown are Medicare enrollees.

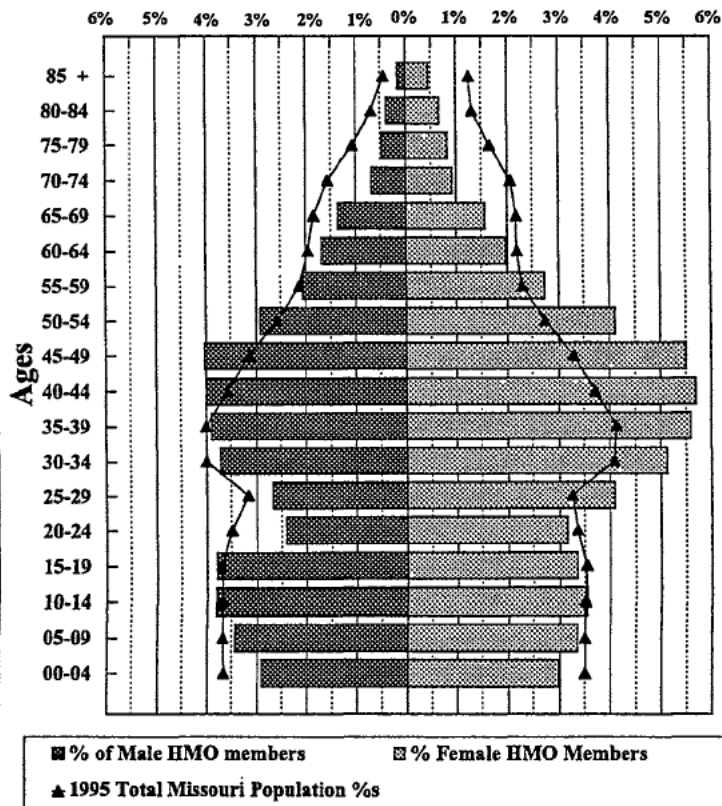
### Average Age of Enrollees

Commercial Members = 32.4  
 Medicare Members = 73.4  
 Total Members = 35.3

### Percentage of Female Enrollees

Commercial Members = 55.3%  
 Medicare Members = 59.9%  
 Total Members = 55.6%

Males	Females	Totals
40	113	153
98	166	264
120	205	325
171	232	403
342	395	737
423	495	918
521	684	1,205
729	1,032	1,761
1,011	1,380	2,391
1,006	1,428	2,434
976	1,404	2,380
934	1,284	2,218
674	1,028	1,702
607	794	1,401
955	840	1,795
957	887	1,844
864	840	1,704
731	747	1,478
11,159	13,954	25,113



# Group Health Plan, Inc.

**Group Health Plan, Inc.**  
 940 Westport Plaza, Suite 300  
 St. Louis, MO 63146  
 800/755-3901 or 314/453-1700  
 State of Domicile: Missouri

**Incorporated: May 22, 1985**  
**Admitted to Missouri: September 10, 1985**  
**Federally qualified: November 1, 1985**  
**Accredited: N/A**  
**Model type: Mixed**

**An affiliated company of: Coventry Corporation**

## 1995 YEAR-END OFFICERS

**President:** Michael F. Neidorff  
**Secretary:** Shirley R. Smith  
**Chief Financial Officer:** Lawrence P. Glascott III  
**Other Officers:** Lucille I. McLain, Robert C. Packman M.D.,  
 James L. Touse, Patricia Harger, Lisa Williams,  
 Debra K. Gribble, Richard Jones, Marlene R. Reedy

## 1995 YEAR-END DIRECTORS

Michael F. Neidorff, Bruce E. Woodruff, Richard Jones,  
 Lucille I. McLain, James L. Touse, Robert C. Packman M.D.,  
 David J. Meiners M.D., Jacob Klein M.D., Michael E. Miller,  
 James P. Bradley, Barrett L. Boehm

## SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Illinois and Missouri:

**68**

Approximate number of primary care physicians in Illinois and Missouri:

**940**

Total number of participating physicians in Illinois and Missouri:

**3,200**

## 1995 MISSOURI ENROLLMENT

Total Missouri member months:

**1,059,655**

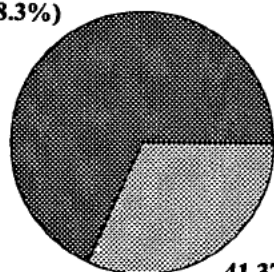
Total Missouri members:

**88,989**

## 1995 TOTAL ENROLLMENT

Non-Missouri enrollment includes Illinois members

**88,989 (68.3%)**



**41,375 (31.7%)**

■ Missouri Members    ■ Non-Missouri Members

## MISSOURI COUNTIES IN SERVICE AREA

Audrain, Boone Callaway, Camden, Cole, Cooper, Crawford, Franklin, Gasconade, Howard,  
 Jefferson, Laclede, Lincoln, Madison, Maries, Miller, Moniteau, Montgomery, Morgan,  
 Osage, Pike, Pulaski, Randolph, St. Charles, St. Francois, Ste. Genevieve, St. Louis, St. Louis  
 City, Warren, Washington



## ILLINOIS COUNTIES IN SERVICE AREA

Bond, Calhoun, Christian, Clinton, Coles, Franklin, Jackson, Jefferson, Jersey, Johnson,  
 Macoupin, Madison, Marion, Menard, Monroe, Montgomery, Morgan, Perry, Randolph,  
 Saline, Sangamon, St. Clair, Union, Washington, Williamson

# GROUP HEALTH PLAN, INC.

## NOTES TO FINANCIAL STATEMENTS<sup>1</sup>

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### 1. Organization and Operation

Group Health Plan (GHP) is licensed in Missouri and Illinois to conduct business as a Health Maintenance Organization. It is a wholly owned subsidiary of Coventry Corporation located in Nashville, Tennessee. GHP operates as both a staff model HMO and as an IPA (Independent Physician Association) network HMO. GHP pays capitation or negotiated fee for services to the physicians within the IPA networks. Three basic products offered are as follows:

- I. "Access" is a full HMO IPA network and out of network coverage. Through "Access Plus" members may add a point of service (POS) benefit with physicians out of the network.
- II. "GHP Exclusive" is the staff HMO in which members are covered by stand alone health centers. "Exclusive Plus" then includes a point of service (POS) option.
- III. "Group I" is covered by the stand alone health centers and an additional network called "Unity Health Network." This product also includes a POS option.

### 2. Significant Accounting Policies

GHP offers the out-of-network coverage with the use of its affiliate, American Service Life Insurance Company. Furthermore, GHP offers Medicare Cost Coverage, Medicare Risk Coverage, and an Individual Health Plan. Champion Dental Services (CDS) is a wholly owned subsidiary of GHP and offers a prepaid dental plan. Care Management Resources (CMR) is a division of GHP which is licensed in Missouri as a Third Party Administrator (TPA) and provides administrative services for self-insured groups. Self-insured contract activity, represents contracts for which the various employers retain all health care service risks, while the Plan assumes administrative risk. The Plan does not reflect payment of TPA claims in its Statement of Revenue and Expenses.

### 3. Results of Operations

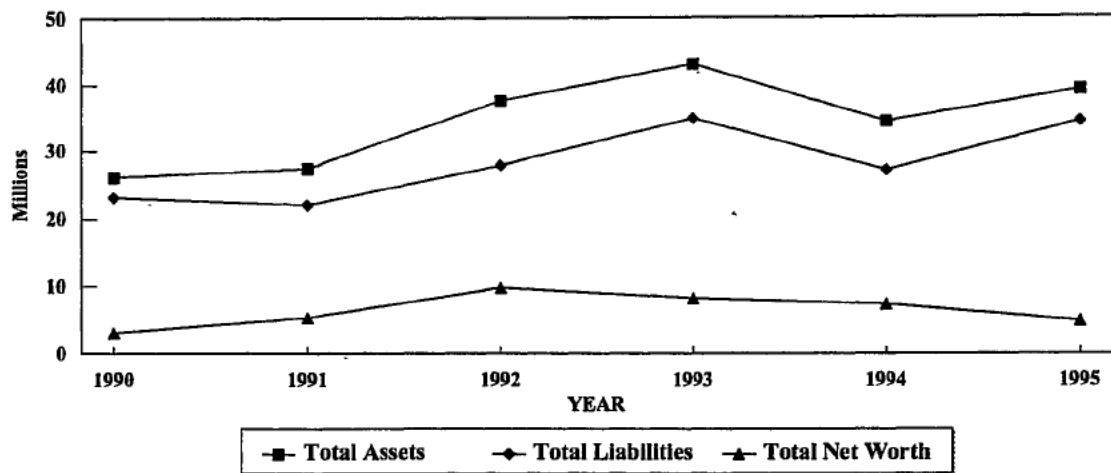
Throughout 1995, there was increased activity in negotiating many of the provider contracts. These new contracts placed providers at risk for more, while reducing the risk to GHP. Membership increases had a positive impact on premium revenue in 1995. GHP opened offices in Jefferson City, Missouri, Sparta Illinois, and Farmington, Missouri. These new offices are part of planned growth outside the St. Louis metro area. Significant new products include a Medicare Risk product and an open access product. GHP health centers are a provider network for HealthCare USA of Missouri (a sister corporation of GHP) where the contract was signed in 1995.

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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the Group Health Plan, Inc.

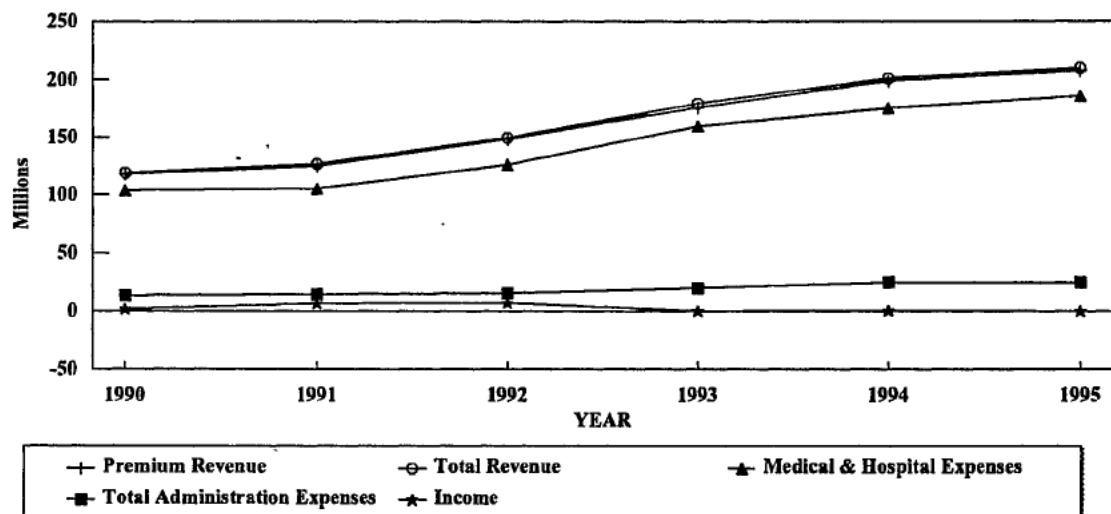
# Group Health Plan, Inc.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$26,174,364	\$27,345,286	\$37,670,299	\$43,042,104	\$34,432,073	\$39,268,548
Total Liabilities	\$23,087,074	\$21,994,557	\$27,889,855	\$34,830,488	\$27,084,716	\$34,398,135
Total Net Worth	\$3,087,290	\$5,350,729	\$9,780,444	\$8,211,616	\$7,347,357	\$4,870,413

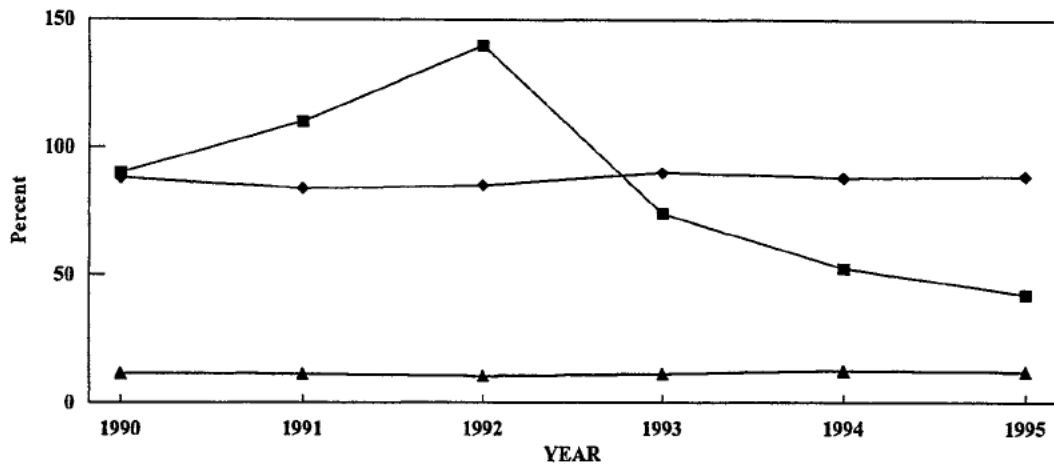
## Income Statement Items



Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$117,498,332	\$125,053,795	\$147,823,726	\$175,855,005	\$198,611,819	\$207,870,575
Total Revenue	\$118,828,105	\$126,409,777	\$149,306,901	\$178,982,343	\$200,890,738	\$210,214,011
Medical & Hospital Expenses	\$103,376,428	\$105,191,901	\$126,244,207	\$158,958,616	\$175,348,174	\$185,385,607
Administration Expenses	\$13,493,311	\$14,212,861	\$15,562,434	\$19,871,350	\$24,820,221	\$24,830,449
Income	\$1,958,366	\$7,005,015	\$7,500,260	\$152,377	\$722,343	(\$2,045)

# Group Health Plan, Inc.

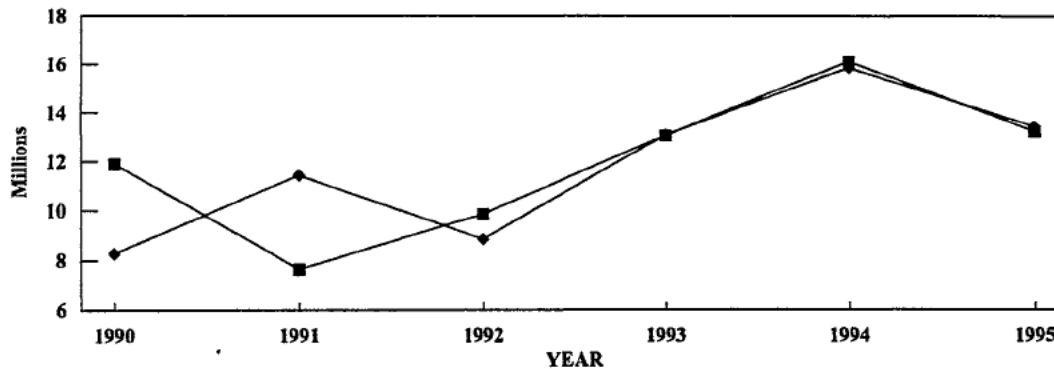
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	90.0%	110.0%	140.0%	74.3%	52.5%	42.1%
Medical & Hospital Expenses/Premium Revenue	88.0%	84.1%	85.4%	90.4%	88.3%	89.2%
Administration Expenses/Total Revenue	11.4%	11.2%	10.4%	11.1%	12.4%	11.8%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$11,906,174	\$7,629,578	\$9,836,500	\$13,074,375	\$16,123,366	\$13,258,047
Estimated Liability of Unpaid Claims Previous Year	\$8,251,313	\$11,434,475	\$8,841,853	\$13,110,966	\$15,846,873	\$13,428,009

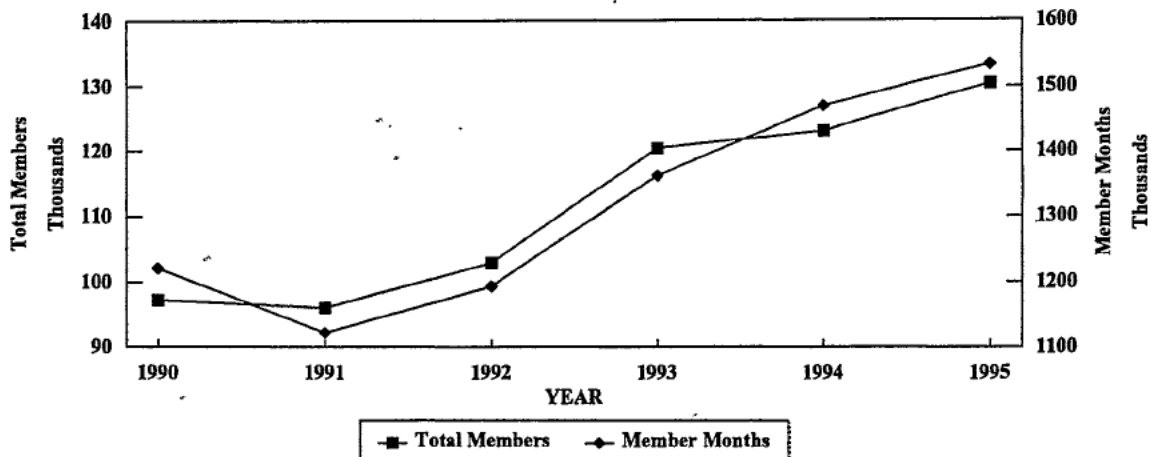
Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# Group Health Plan, Inc.

## Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	97,180	96,042	102,823	120,464	123,050	130,364
Total Member Months	1,220,626	1,121,418	1,193,071	1,361,504	1,469,707	1,533,038

## 1995 Enrollment Demographics

Note: Although the lines in the following chart depict the distribution of total Missouri population, the bars actually represent all HMO members including those residing in Illinois and Missouri. Approximately 10% of the gender counts shown are Medicare enrollees.

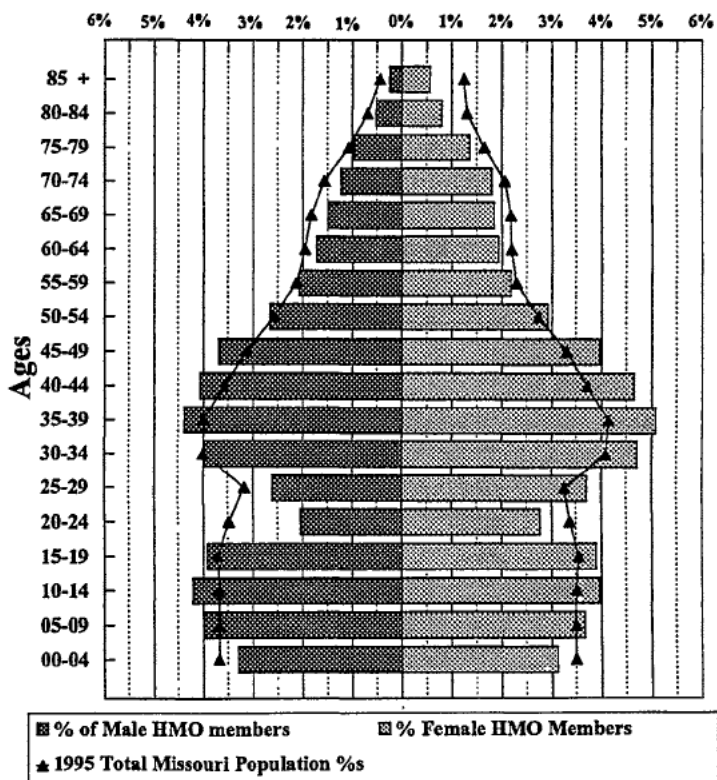
### Average Age of Enrollees

Commercial Members = 30.9  
Medicare Members = 73.7  
Total Members = 35.4

### Percentage of Female Enrollees

Commercial Members = 52.1%  
Medicare Members = 59.3%  
Total Members = 52.9%

Males	Females	Totals
327	739	1,066
683	1,039	1,722
1,261	1,787	3,048
1,618	2,373	3,991
1,971	2,444	4,415
2,265	2,555	4,820
2,732	2,876	5,608
3,514	3,851	7,365
4,860	5,208	10,068
5,343	6,107	11,450
5,775	6,675	12,450
5,256	6,189	11,445
3,430	4,870	8,300
2,698	3,645	6,343
5,157	5,121	10,278
5,533	5,212	10,745
5,260	4,825	10,085
4,338	4,114	8,452
62,021	69,630	131,651



# Healthcare USA of Missouri LLC

**Healthcare USA of Missouri LLC**  
 100 South Fourth St., Suite 1100  
 St. Louis, MO 63102  
 800/213-7792 or 314/241-5300  
 State of Domicile: Missouri

**Commenced Business:** January 31, 1995  
**Admitted to Missouri:** June 13, 1995  
**Federally qualified:** N/A  
**Accredited:** N/A  
**Model type:** Mixed

**An affiliated company of: Coventry Corporation**

## 1995 YEAR-END OFFICERS

President: Christopher T. Fey  
 Secretary: Richard S. Gonzales  
 Chief Financial Officer: Glenn J. Davis  
 Other Officers: Kathryn N. Vedder

## 1995 YEAR-END DIRECTORS

Christopher T. Fey, Richard S. Gonzales  
 Glenn J. Davis, Kathryn N. Vedder  
 Richard R. Cavanagh

## SERVICE AREA OPERATIONS DATA

Number of Missouri hospitals contracted with in service area:

**26**

Approximate number of primary care physicians (PCPs) in service area:

**515**

Total number of participating physicians in service area:

**3,095**

## 1995 MISSOURI ENROLLMENT

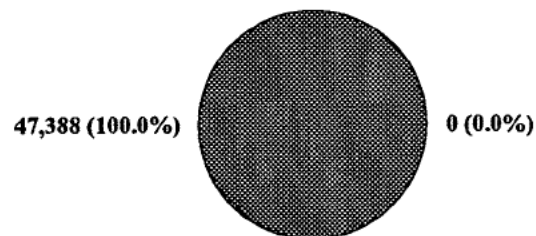
Total Missouri member months:

**47,388**

Total Missouri members:

**144,749**

## 1995 TOTAL ENROLLMENT



■ Missouri Members    ■ Non-Missouri Members

## MISSOURI COUNTIES IN SERVICE AREA

Audrain, Boone, Callaway, Camden, Cass, Chariton, Clay, Cole, Cooper, Franklin, Gasconade, Howard, Jackson, Johnson, Lafayette, Miller, Moniteau, Monroe, Montgomery, Morgan, Osage, Pettis, Platte, Randolph, Ray, St. Charles, St. Louis, St. Louis City, Saline, Warren





# HEALTHCARE USA OF MISSOURI LLC

## NOTES TO FINANCIAL STATEMENTS<sup>1</sup>

---

### 1. Organization and Operation

Healthcare USA of Missouri LLC (the Company) was granted a Certificate of Authority on *June 13, 1995* with the Missouri Department of Insurance. The home office is located in St. Louis, Missouri. The Company is a health maintenance organization which contracts with the Missouri Medicaid Managed Care Program. The Company is seventy percent owned by Healthcare USA-Midwest, Inc. (Midwest), which is a wholly owned subsidiary of Healthcare USA, Inc. (HCUSA), of Jacksonville, Florida. *Healthcare USA, Inc., is wholly owned subsidiary of Coventry Corporation.* The parent company, HCUSA contributed \$1,059,600 in 1995 to the Company by way of cash.

### 2. Significant Accounting Policies

The Company contracts with various health care providers for the provision of certain medical care services to its members. Primary care physicians (PCPs) are generally compensated on a capitation basis and hospitals are compensated for inpatient hospitalization costs on a per diem basis based upon Medicaid per diem rates and/or rates established under separate contracts between the individual hospital and the Company. The Company does not have any administrative service only contracts.

### 3. Results of Operations

This was the first year (1995) of operations for the Company. Members were enrolled beginning in the fourth quarter of 1995. Therefore this *(the following operations information)* is not a full year of operations. A favorable impact on net revenues/income is that the State of Missouri has mandatory enrollment of all eligible Medicaid recipients. The Company plans to respond to Requests for Proposals (RFPs) for the central Missouri and Kansas City areas.

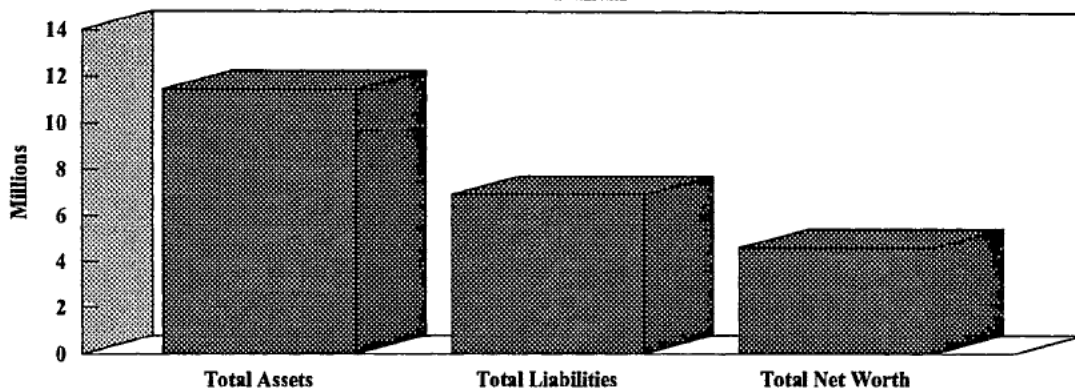
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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the Healthcare USA of Missouri LLC. Italicized text indicates unquoted text added for clarification.

# Healthcare USA of Missouri LLC

## Balance Sheet Items

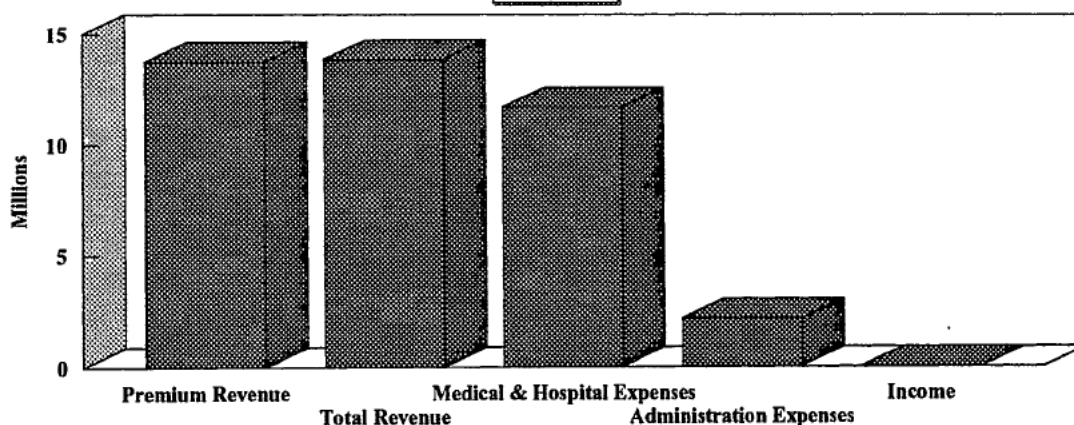
1995



Item	1995
Total Assets	\$11,464,515
Total Liabilities	\$6,881,702
Total Net Worth	\$4,582,813

## Income Statement Items

1995

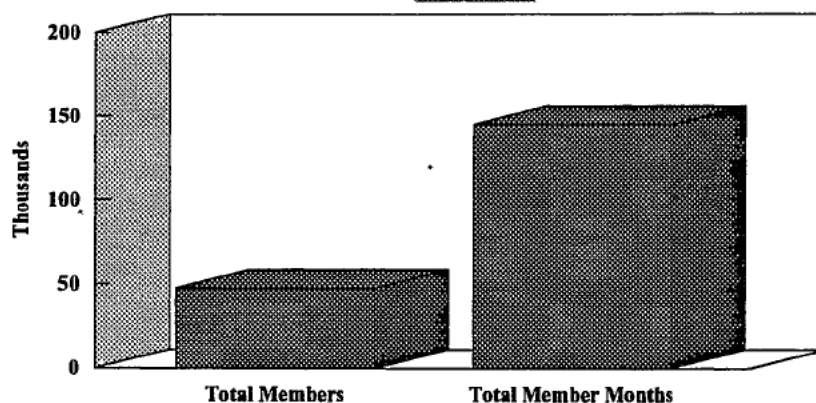


Item	1995
Premium Revenue	\$13,750,668
Total Revenue	\$13,858,766
Medical & Hospital Expenses	\$11,690,690
Administration Expenses	\$2,162,262
Income	\$5,814

# Healthcare USA of Missouri LLC

## Enrollment

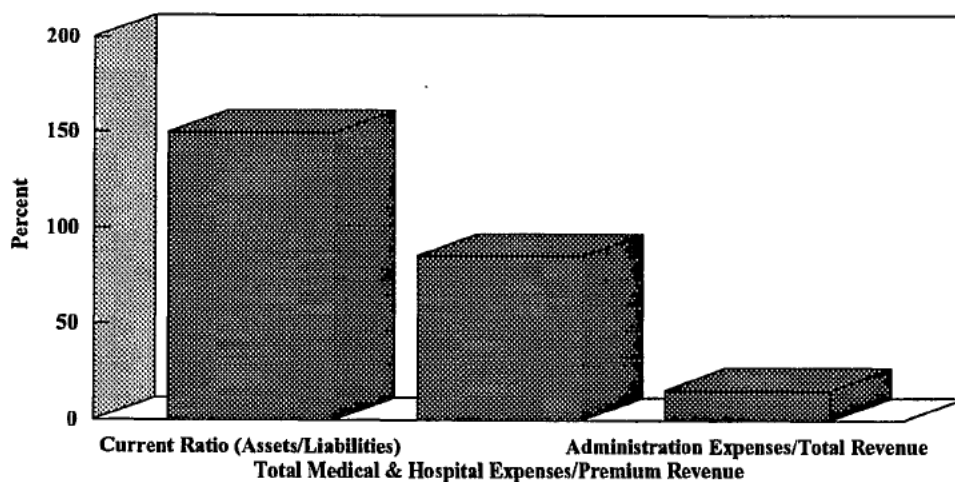
1995



Item	1995
Total Members	47,388
Total Member Months	144,749

## Formulas

1995



Item	1995
Current Ratio (Assets/Liabilities)	149.4%
Total Medical & Hospital Expenses / Premium Revenue	85.0%
Administration Expenses / Total Revenue	15.6%

# Healthcare USA of Missouri LLC

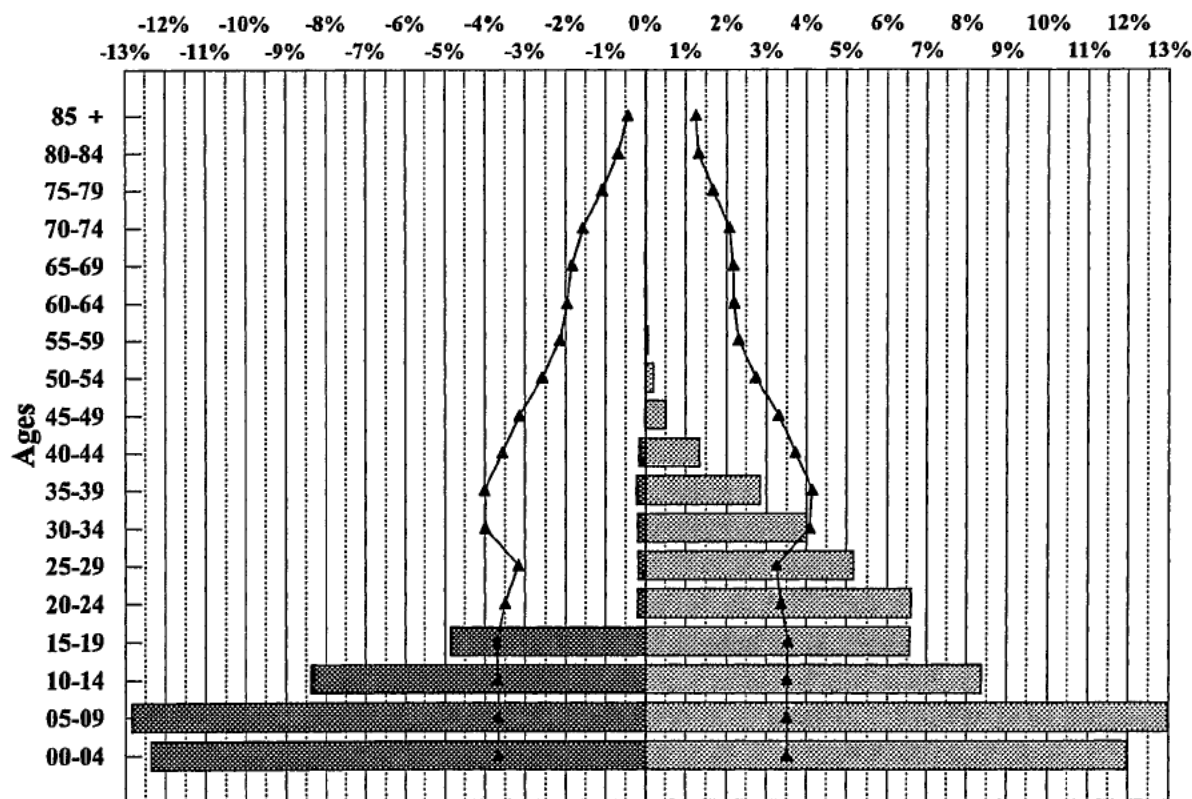
## 1995 Enrollment Demographics

Note: The following enrollment chart and table depicts the demographic composition of Healthcare USA of Missouri LLC enrollees, all of whom are Medicaid recipients.

**Average Age of Enrollees = 13.3**

**Percentage of Female Enrollees = 60.6%**

Males	Females	Totals
0	0	0
0	0	0
0	1	1
0	1	1
2	1	3
4	10	14
7	29	36
4	80	84
6	213	219
64	553	617
90	1,183	1,273
80	1,664	1,744
70	2,147	2,217
81	2,737	2,818
2,012	2,728	4,740
3,473	3,472	6,945
5,328	5,396	10,724
5,124	4,968	10,092
16,345	25,183	41,528



■ % of Male HMO members

■ % Female HMO Members

▲ 1995 Total Missouri Population %s

# HealthLink HMO, Inc.

**HealthLink HMO, Inc.**  
777 Craig Road, Suite 110  
St. Louis, MO 63141  
800/624-2680 or 314/569-7200  
State of Domicile: Missouri

An affiliated company of: Blue Cross Blue Shield of Missouri

Incorporated: July 29, 1992  
Admitted to Missouri: January 14, 1993  
Federally qualified: N/A  
Accredited: N/A  
Model type: IPA

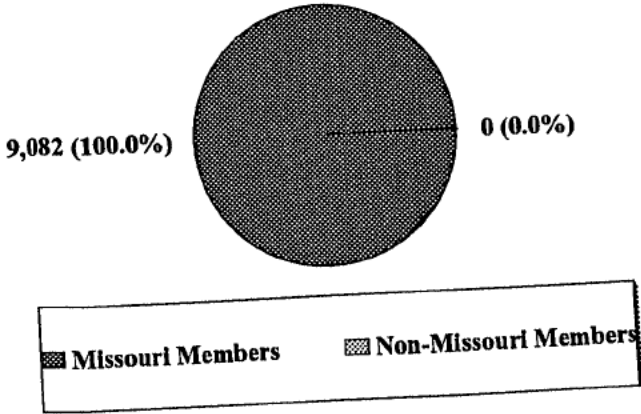
## 1995 YEAR-END OFFICERS

President: David Timothy Ott  
Secretary: John Allen O'Rourke  
Chief Financial Officer: - n/a -  
Other Officers: Michael Trent Marcotte

## 1995 MISSOURI ENROLLMENT

Total Missouri member months for the year:  
90,480  
Missouri members at end of year:  
9,082

## 1995 TOTAL ENROLLMENT



## 1995 YEAR-END DIRECTORS

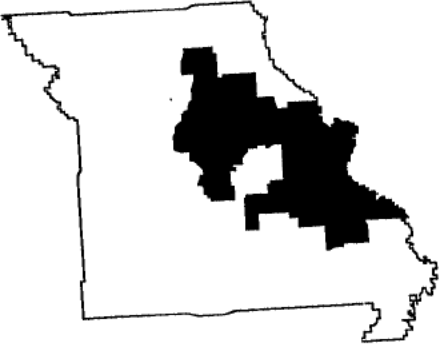
Larry Kent Chastain, Joe Marabito  
Karon Harris, John A. O'Rourke  
Ken Landau, David Timothy Ott

## SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Illinois and Missouri:  
40  
Approximate number of primary care physicians (PCP) in IL/MO area:  
795  
Total number of participating physicians:  
2,434

## MISSOURI COUNTIES IN SERVICE AREA

Audrain, Boone, Callaway, Cole, Cooper, Crawford, Franklin, Howard, Iron, Jefferson, Lincoln, Macon, Madison, Miller, Moniteau, Monroe, Montgomery, Perry, Phelps, Randolph, St. Charles, St. Francois, Ste. Genevieve, St. Louis, St. Louis City, Warren, Washington



# HEALTHLINK HMO, INC.

## Notes to Financial Statements<sup>1</sup>

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### 1. Summary of Operations

HealthLink HMO, Inc. (The "Company"), was incorporated under the laws of Missouri on July 29, 1992 and operates as a state qualified health maintenance organization which provides health care services principally for a predetermined, prepaid, periodic fee to enrolled subscriber groups and individuals of selected insurance companies ("Payors"). The Company's service area currently includes the St. Louis metropolitan and Jefferson City-Columbia Missouri and Southern and Central Illinois. The Company is equally owned and controlled by HealthLink, Inc., ("HealthLink") a wholly owned subsidiary of RightCHOICE Managed Care, Inc. and Integrated Health Services, Inc. ("IHS"). IHS is a subsidiary of Blue Cross Blue Shield of Kansas City ("BCBSKC").

### 2. Medical Expenses

The Company arranges for comprehensive health care services for its members principally through two methods. It pays capitated fees to its primary care physician groups ("PCPs"). Capitated fees are fixed, monthly payments made without regards to the frequency, extent or nature of the primary care services actually furnished. The Company has other contractual relationships with specialists physicians and hospitals to provide non-primary care services. These providers are paid based on negotiated fee schedules. The Company is fully reimbursed by each Payor for all medical expenses relating to non-PCP providers. The Company has various programs that provide incentives to participating physicians through the use of risk-sharing agreements and other programs. Payments are made to these PCPs on their performance in controlling health care costs while providing quality health care. Expenses related to these programs, which are based in part on estimates, are recorded in the period which the related services are dispensed.

### 3. Related Parties

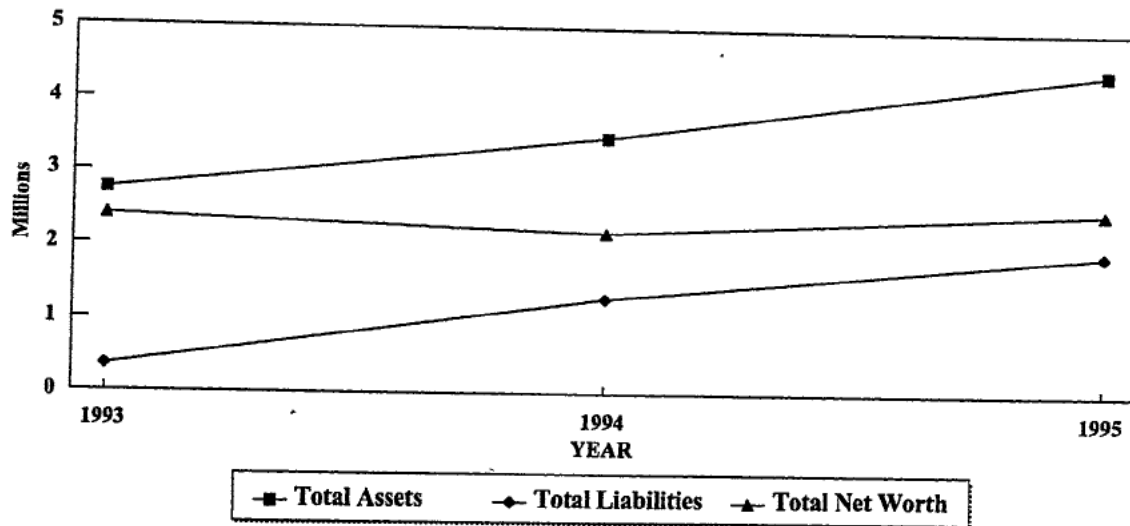
Amounts due from affiliates represent amounts due from Missouri Valley Life & Health Insurance Co. ("MVLH") for the reimbursement of medical expenses relating to providers other than primary care physicians. Premium receivable represents amounts due from insurance companies and self funded groups for premiums due but not yet received. During 1995, and 1994, capitation revenue and administrative fees were earned from MVLH, a payor, in the amount of \$1,337,375 and \$494,834 respectively, and \$898,623 and \$91,961 respectively. For our Missouri business, we (*the Company*) have entered into agreements with the following carriers to cede 100% of the HMO's liability for the provision of all medically necessary covered services other than capitated services: Missouri Valley Life & Health Insurance Company; Continental Assurance Company; The Guardian Life Insurance Company of America; United Wisconsin Life Insurance Company; American Medical Security; and Massachusetts Mutual Life Insurance Company.

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<sup>1</sup>Excerpts quoted from the Statement As Of December 31, 1995 of the HealthLink HMO, INC. Italicized text indicates unquoted text added for purposes of clarification.

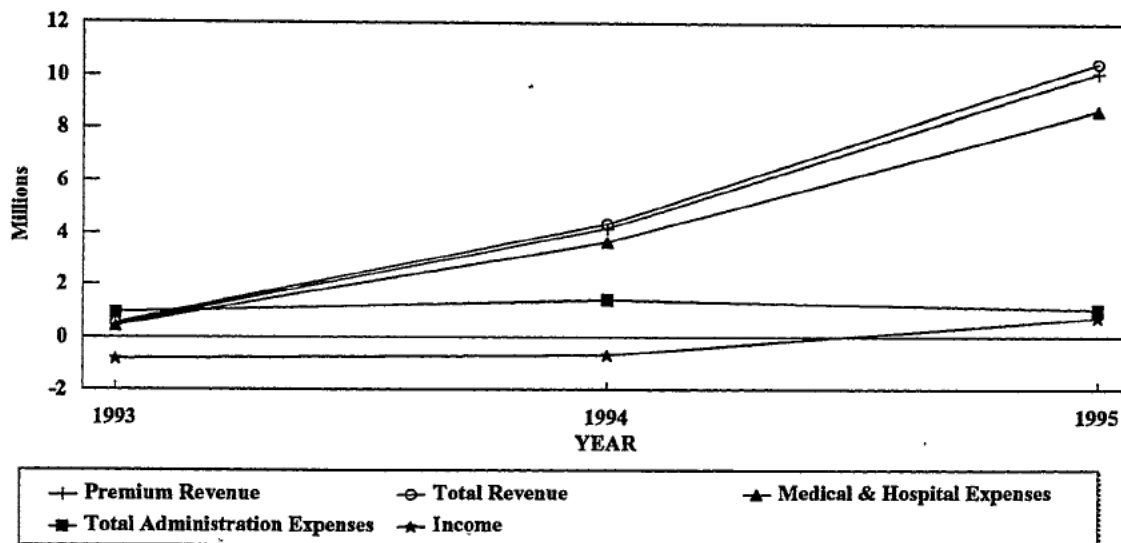
# HealthLink HMO, Inc.

## Balance Sheet Items



Item	1993	1994	1995
Total Assets	\$2,748,773	\$3,494,411	\$4,450,970
Total Liabilities	\$358,323	\$1,298,979	\$1,933,614
Total Net Worth	\$2,390,450	\$2,195,432	\$2,517,356

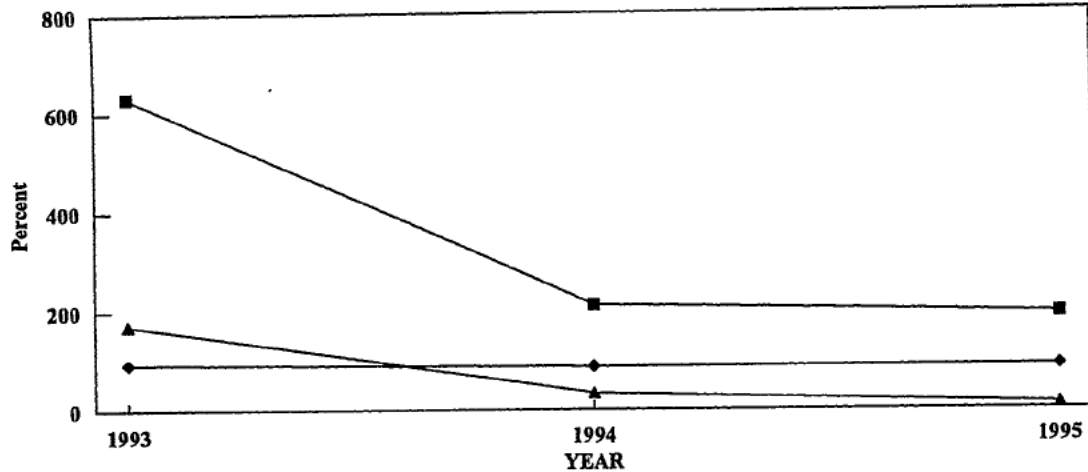
## Income Statement Items



Item	1993	1994	1995
Premium Revenue	\$470,781	\$4,169,520	\$10,130,695
Total Revenue	\$540,863	\$4,337,848	\$10,476,300
Medical & Hospital Expenses	\$437,772	\$3,619,947	\$8,692,145
Administration Expenses	\$928,403	\$1,402,020	\$1,051,881
Income	(\$825,312)	(\$684,119)	\$732,273

# HealthLink HMO, Inc.

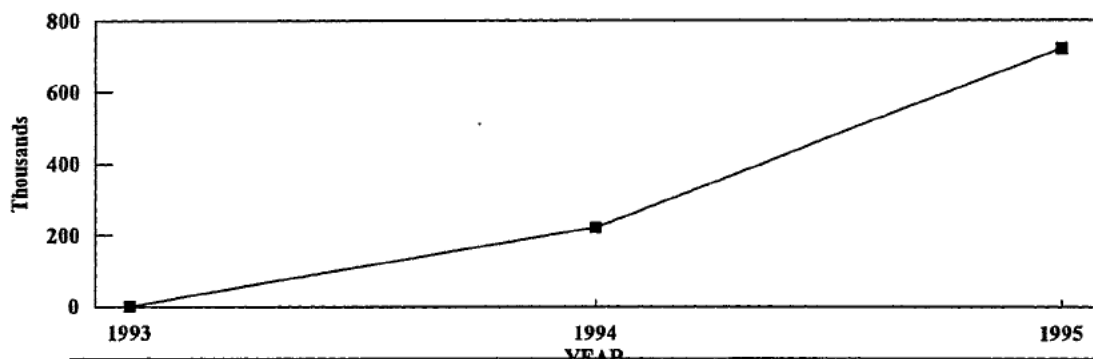
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1993	1994	1995
Current Ratio (Assets/Liabilities)	630.0%	210.0%	190.6%
Medical & Hospital Expenses/Premium Revenue	93.0%	86.8%	85.8%
Administration Expenses/Total Revenue	171.7%	32.3%	10.0%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1993	1994	1995
Development of Prior Year Claims	n/a	\$222,787	\$720,031
Estimated Liability of Unpaid Claims Previous Year	n/a	\$222,787	\$720,031

Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

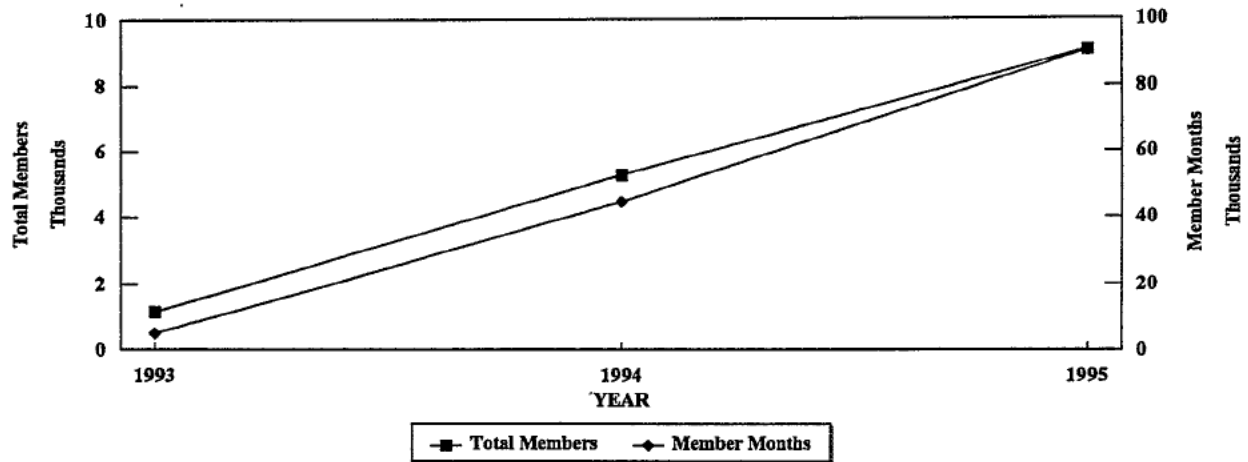
Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.



# HealthLink HMO, Inc.

## Enrollment



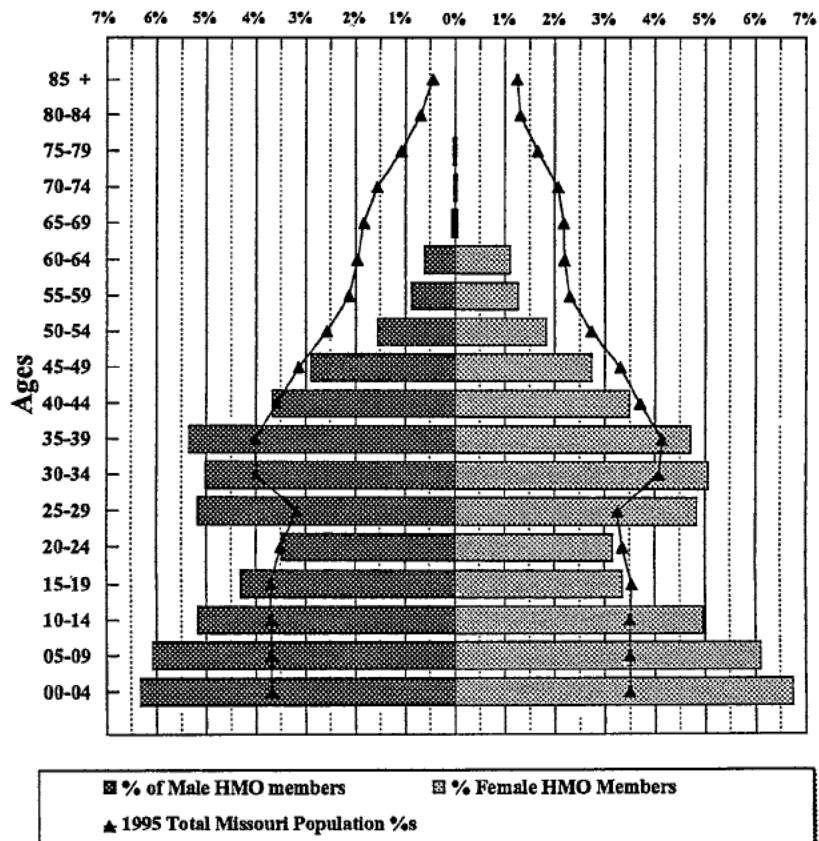
Item	1993	1994	1995
Total Members	1,141	5,263	9,082
Total Member Months	4,889	44,573	90,480

## 1995 Enrollment Demographics

Average Age of Enrollees = 25.1

Percentage of Female Enrollees = 49.4%

Males	Females	Totals
0	0	0
0	0	0
3	2	5
2	3	5
5	5	10
51	92	143
72	104	176
128	151	279
240	227	467
304	290	594
443	391	834
416	419	835
429	401	830
288	262	550
357	278	635
429	412	841
504	506	1,010
524	560	1,084
4,195	4,103	8,298



# HealthNet, Inc.

**HealthNet, Inc.**  
 2300 Main St., Suite 700  
 Kansas City, MO 64108-2415  
 816/221-8400  
 State of Domicile: Kansas

An affiliated company of: Affiliated Health Partners, Inc.

Incorporated: January 6, 1987  
 Admitted to Missouri: March 2, 1993  
 Federally qualified: January 6, 1987  
 Accredited: N/A  
 Model type: Network

## 1995 YEAR-END OFFICERS

President: Andrew W. Dahl  
 Secretary: Ronald A. Parton, M.D.  
 Chief Financial Officer: Thomas R. Halvorson

## 1995 YEAR-END DIRECTORS

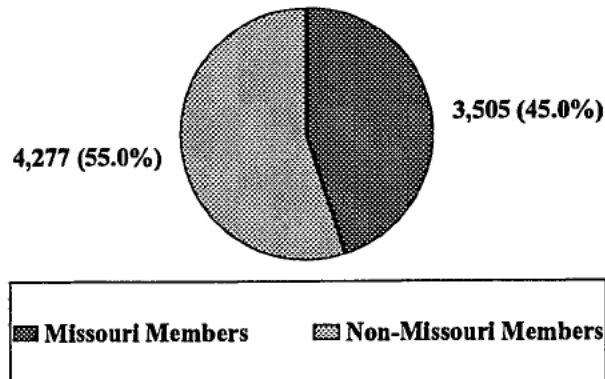
Andrew W. Dahl  
 Ronald A. Parton, M.D.  
 Thomas R. Halvorson

## 1995 MISSOURI ENROLLMENT

Total Missouri member months for the year:  
**41,109**  
 Missouri members at end of year:  
**3,505**

## 1995 TOTAL ENROLLMENT

Non-Missouri enrollment includes members residing in Kansas



## SERVICE AREA OPERATIONS DATA

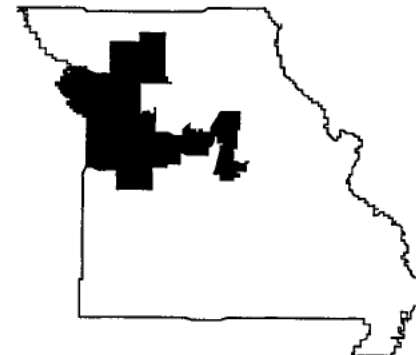
Number of hospitals contracted with in Kansas and Missouri:  
**14**  
 Approximate number of primary care physicians (PCP) in KS/MO area:  
**409**  
 Total number of participating physicians:  
**1,575**

## MISSOURI COUNTIES IN SERVICE AREA

Boone, Buchanan, Caldwell, Cass, Clay, Clinton, Cole, Cooper, Daviess, Grundy, Henry, Jackson, Johnson, Lafayette, Livingston, Pettis, Platte, Ray

## KANSAS COUNTIES IN SERVICE AREA

Atchison, Douglas, Franklin, Jefferson, Johnson, Leavenworth, Miami, Shawnee, Wyandotte



# HEALTHNET, INC.

## Notes to Financial Statements Management's Discussion & Analysis<sup>1</sup>

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### 1. Summary of Operations

HealthNet, Inc. (the Corporation) operates as a health maintenance organization (HMO) formed for the purpose of providing comprehensive health care services to its members on a prepaid basis. The Corporation is licensed by the state of Missouri and regulated under the state statutes pertaining to HMOs. The Corporation currently served the Kansas City metropolitan area.

### 2. Medical and Hospital Claims and Capitation Costs

The Corporation contracts with health care providers for the provision of certain related medical care to its members. As part of various physician and hospital risk-sharing arrangements, the Corporation retains a percentage of the payments to physicians and hospitals, which may be used to recover certain medical costs paid by the Corporation. Medical claims and capitation costs include all amounts incurred by the Corporation under those physician and hospital risk-sharing arrangements.

### 3. Related Parties

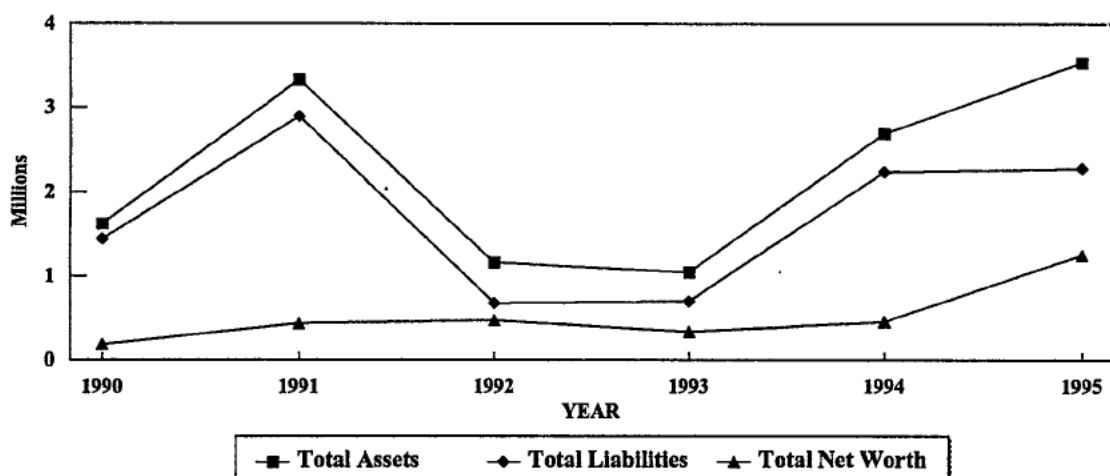
Effective September 1, 1994, the Corporation will file a consolidated federal income tax return with its new parent, Mid-America Health Partners, Inc. (MAHP) and Mid-America Health Network, Inc., a wholly-owned subsidiary of MAHP. Although no written tax-sharing agreement exists as of December 31, 1994, MAHP and its wholly-owned subsidiaries plan to allocate current tax expense or benefits based on each individual company's operating results. For the year ended December 31, 1995 and the period from January 1, 1994 to August 31, 1994, the Corporation contracted with Mid-America Health Network, Inc. (MAHN) and Affiliated Health Partners, Inc., respectively, for management services. *The current parent, Mid-America Health Partners, Inc. (MAHP), was created by the merger of the previous parent corporation Affiliated Health Partners, Inc., itself a corporation created by four Kansas City area hospitals (Shawnee Mission Medical Center, Independence Regional Health Center, St. Luke's Hospital of Kansas City and St. Joseph Health Center).*

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<sup>1</sup>Excerpts quoted from the Statement As Of December 31, 1995 Of The HealthNet, Inc., (the "Company") and the Company's 1995 "Management Discussion and Analysis" supplemental filing. Italicized text indicates unquoted text added for clarification.

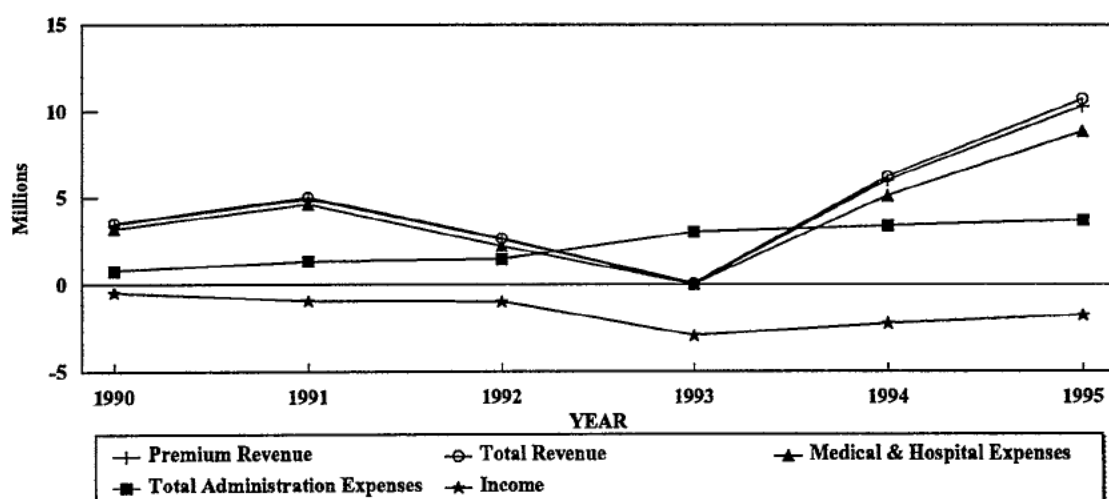
# HealthNet, Inc.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$1,621,299	\$3,327,176	\$1,159,725	\$1,046,282	\$2,701,809	\$3,541,775
Total Liabilities	\$1,435,346	\$2,894,180	\$682,679	\$706,468	\$2,240,820	\$2,287,116
Total Net Worth	\$185,953	\$432,996	\$477,046	\$339,814	\$460,989	\$1,254,659

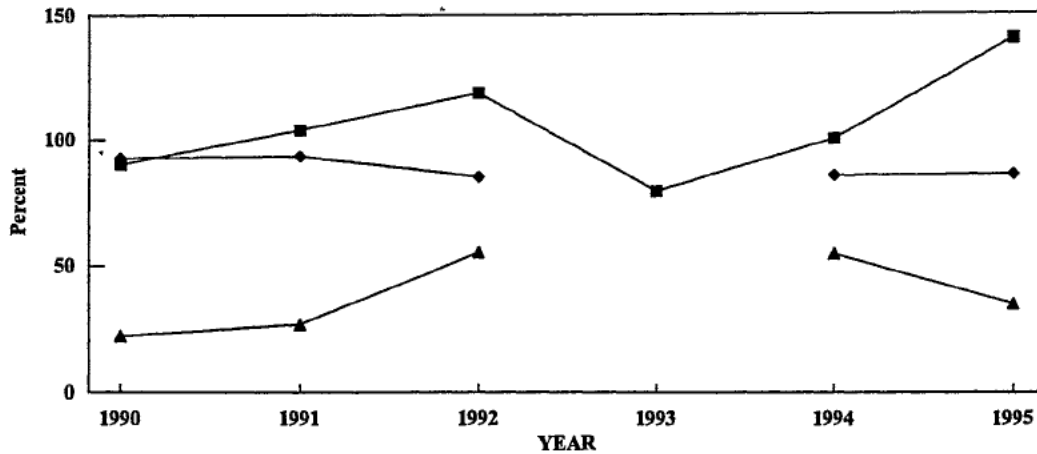
## Income Statement Items



Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$3,461,544	\$4,940,284	\$2,599,331	\$4,688	\$6,022,427	\$10,351,266
Total Revenue	\$3,490,261	\$4,990,480	\$2,663,100	\$46,288	\$6,236,896	\$10,751,030
Medical & Hospital Expenses	\$3,205,394	\$4,611,356	\$2,205,761	(\$11,174)	\$5,118,346	\$8,867,360
Administration Expenses	\$765,542	\$1,325,135	\$1,465,523	\$3,031,041	\$3,393,952	\$3,701,124
Income	(\$480,675)	(\$946,011)	(\$1,008,184)	(\$2,973,579)	(\$2,275,402)	(\$1,817,454)

# HealthNet, Inc.

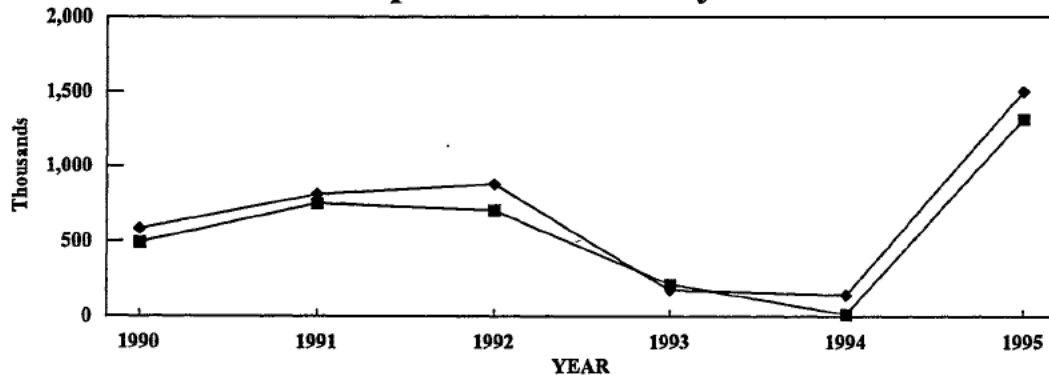
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	90.0%	104.0%	119.0%	79.0%	100.0%	140.2%
Medical & Hospital Expenses/Premium Revenue	92.6%	93.3%	84.9%	-238.4%	85.0%	85.7%
Administration Expenses/Total Revenue	21.9%	26.6%	55.0%	6548.2%	54.4%	34.4%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	N/A	N/A	N/A	\$212,180	\$9,045	\$1,314,209
Estimated Liability of Unpaid Claims Previous Year	\$583,000	\$809,001	\$877,163	\$174,778	\$139,551	\$1,498,149

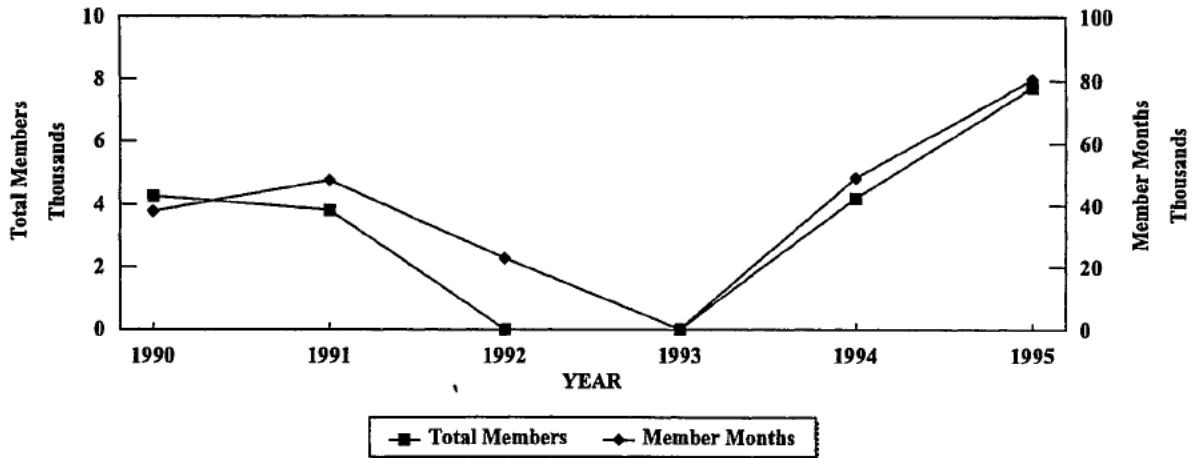
Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# HealthNet, Inc.

## Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	4,260	3,814	12	7	4,222	7,782
Total Member Months	37,811	47,844	22,693	110	48,829	80,415

## 1995 Enrollment Demographics

Note: Although the lines in the following chart depict the distribution of total Missouri population, the bars actually represent all HMO members including those residing in Kansas and Missouri. Approximately 12% of total enrollees shown are Medicaid recipients.

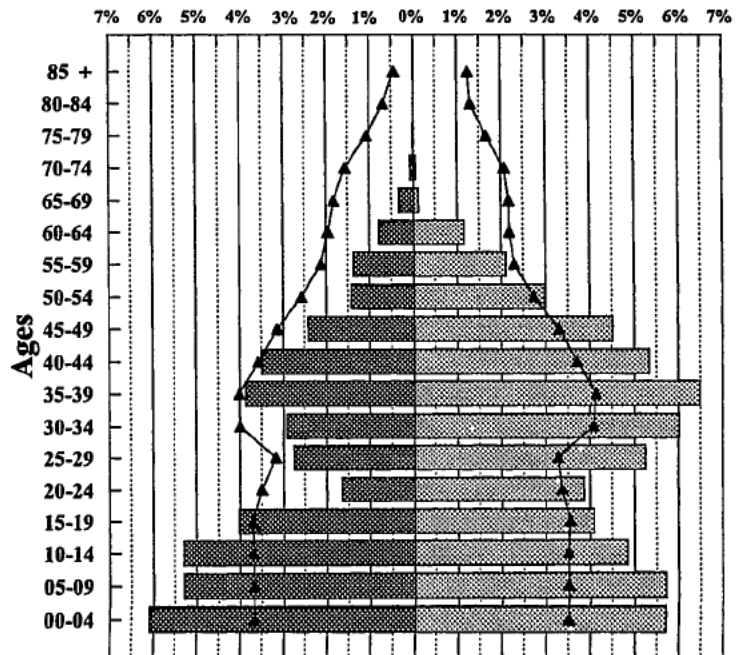
### Average Age of Enrollees

Commercial Members = 28.9  
 Medicaid Members = 13.6  
 Total Members = 27.0

Males	Females	Totals
0	0	0
0	0	0
1	0	1
5	4	9
25	9	34
61	88	149
106	162	268
110	229	339
186	349	535
270	412	682
299	501	800
226	464	690
213	406	619
128	298	426
311	315	626
410	374	784
409	441	850
471	441	912
3,231	4,493	7,724

### Percentage of Female Enrollees

Commercial Members = 58.0%  
 Medicaid Members = 59.4%  
 Total Members = 58.2%



■ % of Male HMO members    ■ % of Female HMO Members  
 ★ 1995 Total Missouri Population %s

# HMO Missouri, Inc., d/b/a BlueChoice

**HMO Missouri, Inc., d/b/a BlueChoice**

**P.O. Box 66828**

**St. Louis, MO 63166-6828**

**800/634-4395 or 314/923-7700**

**State of Domicile: Missouri**

**An affiliated company of: Blue Cross and Blue Shield of Missouri**

**Incorporated: May 28, 1987**

**Admitted to Missouri: December 2, 1987**

**Federally qualified: August 31, 1989**

**Accredited: N/A**

**Model type: IPA**

## 1995 YEAR-END OFFICERS

**President: Margarethe H. Hagemann, M.D.**

**Secretary: Janice C. Forsyth**

**Chief Financial Officer: Sandra A. VanTrease**

**Other Officers: Frederic C. Brussee, Chairman/C.E.O.**

**Sandra A. VanTrease, Treasurer**

## 1995 YEAR-END DIRECTORS

**Richard V. Bradley M.D., Frederic C. Brussee, George K. Conant  
Ronald G. Evens M.D., Margarethe H. Hagemann, M.D., R. J. King,  
Jr., William J. Schicker, Levi W. Trammell III M.D., Gloria W. White**

## 1995 MISSOURI ENROLLMENT

**Total Missouri member months (including ASO enrollment):**

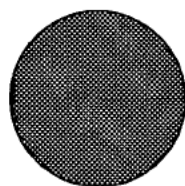
**959,591**

**Missouri members (including ASO enrollment):**

**92,376**

## 1995 TOTAL ENROLLMENT

**92,376 (100.0%)**



**0 (0.0%)**

**Missouri Members**

**Non-Missouri Members**

## SERVICE AREA OPERATIONS DATA

**Number of contracted hospitals in Illinois and Missouri:**

**47**

**Approximate number of contracted primary care physicians (PCPs):**

**N/A**

**Total number of participating physicians:**

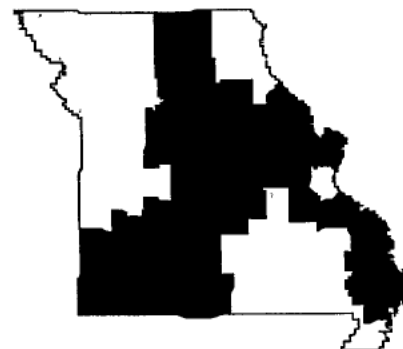
**2,789**

## MISSOURI COUNTIES IN SERVICE AREA

**Adair, Audrain, Barry, Barton, Bollinger, Boone, Callaway, Camden, Cape Girardeau, Cedar, Chariton, Christian, Cole, Cooper, Crawford, Dade, Dallas, Douglas, Franklin, Gasconade, Greene, Hickory, Howard, Jasper, Jefferson, Laclede, Lawrence, Lincoln, Linn, Macon, Maries, McDonald, Miller, Mississippi, Moniteau, Monroe, Montgomery, Morgan, New Madrid, Newton, Osage, Ozark, Perry, Pettis, Phelps, Pike, Polk, Pulaski, Putnam, Randolph, St. Charles, St. Francois, Ste. Genevieve, St. Louis, St. Louis City, Saline, Schuyler, Scott, Stoddard, Stone, Sullivan, Taney, Warren, Washington, Webster, Wright**

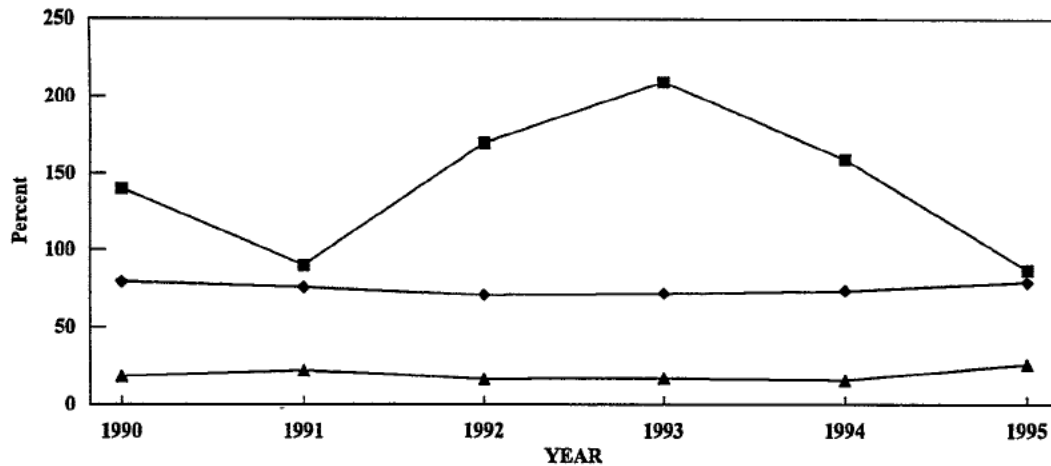
## ILLINOIS COUNTIES IN SERVICE AREA

**Madison, St. Clair**



# HMO Missouri, Inc., d/b/a BlueChoice

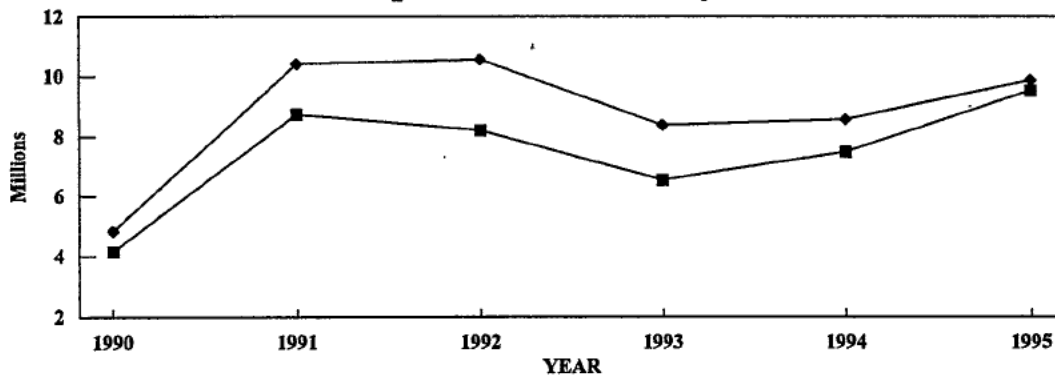
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	140.0%	90.0%	170.0%	210.0%	160.0%	87.5%
Medical & Hospital Expenses/Premium Revenue	79.2%	76.2%	71.3%	72.3%	74.4%	79.8%
Administration Expenses/Total Revenue	18.2%	22.1%	16.6%	16.8%	15.6%	26.2%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$4,164,092	\$8,749,527	\$8,217,471	\$6,542,309	\$7,493,470	\$9,526,425
Estimated Liability of Unpaid Claims Previous Year	\$4,841,882	\$10,391,975	\$10,549,586	\$8,387,327	\$8,575,124	\$9,874,636

Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

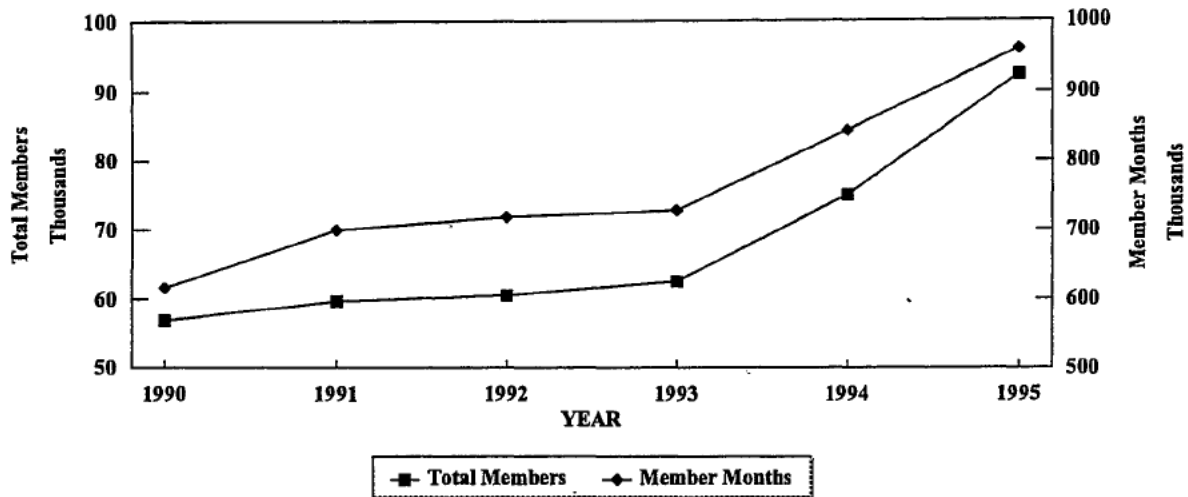
The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.



# HMO Missouri, Inc., d/b/a BlueChoice

Note: The first chart and table includes both non-Missouri and ASO enrollment.

## Total Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	56,834	59,607	60,483	62,442	74,890	92,376
Total Member Months	615,558	699,744	718,102	727,511	843,584	959,591

## 1995 Missouri Enrollment Demographics

This chart and table excludes Illinois members and all ASO members residing in either Missouri or Illinois. Approximately 5% of the gender counts shown are Medicare enrollees.

### Average Age of Enrollees

Commercial Members = 29.0

Medicare Members = 72.5

Total Members = 31.2

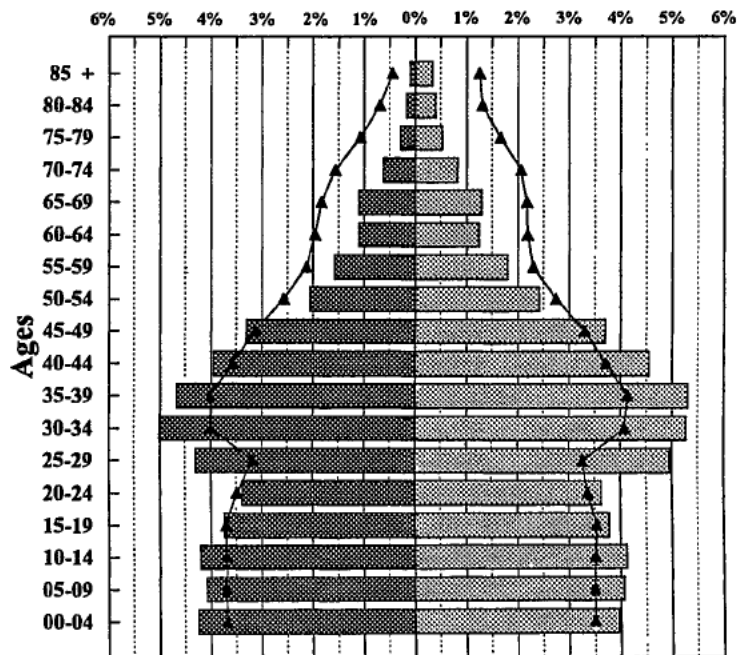
### Percentage of Female Enrollees

Commercial Members = 51.7%

Medicare Members = 61.4%

Total Members = 52.2%

Males	Females	Totals
81	258	339
137	304	441
224	413	637
490	657	1,147
859	1,016	1,875
861	979	1,840
1,239	1,419	2,658
1,620	1,900	3,520
2,591	2,911	5,502
3,102	3,579	6,681
3,673	4,176	7,849
3,938	4,155	8,093
3,386	3,903	7,289
2,662	2,853	5,515
2,939	2,968	5,907
3,303	3,241	6,544
3,203	3,196	6,399
3,329	3,121	6,450
37,637	41,049	78,686



■ % of Male HMO members    ■ % Female HMO Members  
▲ 1995 Total Missouri Population %s

# Humana Health Plan, Inc.

## Humana Health Plan, Inc.

11861 Westline Industrial Blvd.

Maryland Heights, MO 63146

314/993-3593

State of Domicile: Kentucky

Incorporated: August 23, 1982

Admitted to Missouri: March 30, 1986

Federally qualified: Not in Kansas or Missouri

Accredited: N/A

Model type: Mixed

An affiliated company of: Humana, Inc.

## 1995 YEAR-END OFFICERS

President: Wayne Thomas Smith

Secretary: Joan Olliges Kroger

Senior V.P. - Finance & Operations: William Larry Cash

### Other Officers:

William R. Drury, Karen A. Coughlin, Philip B. Garmon, Jerry L. McClellan, Sheri E. Mitchell, James E. Murray, Walter E. Neely, Bruce D. Perkins, Ronald S. Lankford M.D., Barry W. Averill, George G. Bauernfeind, Douglas R. Carlisle, James W. Doucette, Heidi S. Margulis, Thomas D. Stroud, George W. Vieth Jr., Ernest I. Weis M.D., David W. Wille

## 1995 MISSOURI ENROLLMENT

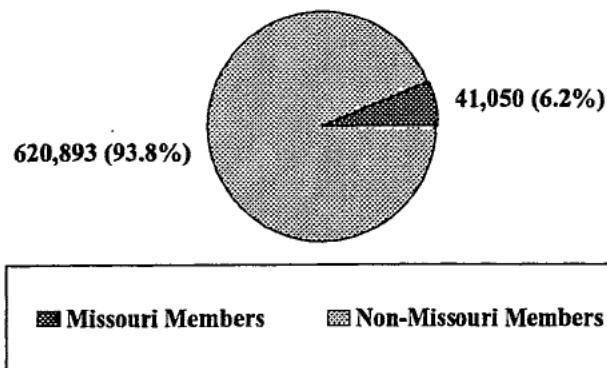
Total Missouri member months for the year:

349,556

Missouri members at end of year:

41,050

## 1995 TOTAL ENROLLMENT



## 1995 YEAR-END DIRECTORS

Wayne Thomas Smith,

William Larry Cash, Karen Ann Coughlin,

Philip Brent Garmon, Ronald Soverly Lankford M.D.

## SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Kansas and Missouri:

51

Approximate number of primary care physicians (PCP) in KS/MO area:

430

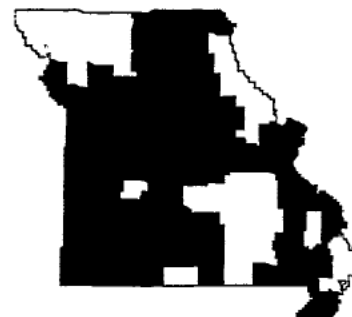
Total number of participating physicians (including MO and 9 other states):

16,322

## MISSOURI COUNTIES IN SERVICE AREA

Adair, Audrain, Barry, Barton, Bates, Benton, Boone, Buchanan, Butler, Caldwell, Callaway, Camden, Cape Girardeau (POS only), Carroll, Cass, Cedar, Chariton, Christian, Clark, Clay, Cole, Cooper, Dade, Dallas, Douglas, Dunklin, Franklin, Gasconade, Greene, Henry, Howard, Howell, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Linn, Macon, Madison, Maries, McDonald, Miller, Moniteau, Monroe, Montgomery, Morgan, Newton, Osage, Pemiscot, Perry, Pettis, Platte, Polk, Putnam, Randolph,

Ray, Ripley, St. Charles, St. Clair, St. Francois, Ste. Genevieve, St. Louis, St. Louis City, Saline, Schuyler, Scotland, Shelby, Stoddard, Stone, Sullivan, Taney, Vernon, Wayne, Webster, Wright



## KANSAS COUNTIES IN SERVICE AREA

Johnson, Leavenworth, Miami, Wyandotte

# HUMANA HEALTH PLAN, INC.

## Notes to Financial Statements Management's Discussion & Analysis<sup>1</sup>

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### 1. Organization

Humana Health Plan, Inc. (the "Company") is a wholly-owned subsidiary of Humana, Inc. ("Humana") and is licensed to do business in 11 states. The Company offers managed health care products which integrate management with the delivery of health care services through a network of providers who may share financial risk or have incentives to deliver cost-effective medical services. These products are marketed through health maintenance organizations ("HMOs"). HMOs control health care costs by various means including the use of utilization controls such as pre-admission approval for hospital inpatient services and pre-authorization of outpatient surgical procedures. The HMO products are marketed primarily to employer and other groups ("Commercial") as well as Medicare and Medicaid-eligible individuals. The products marketed to Medicare-eligible individuals are either HMO products that provide managed care services which include all Medicare benefits and, in certain circumstances, additional health services that are not included in Medicare benefits ("Medicare risk") or indemnity insurance policies that supplement Medicare ("Medicare supplement").

### 2. Operations

The Company's premium revenues increased approximately 18 percent as a result of an increase in membership and total average rate increases of approximately 2 percent for all products. The Medicare risk premium rate increase of approximately 4 percent was offset by a reduction of approximately 1 percent in Commercial premium rates. Commercial premium rates for 1996 are expected to remain flat or decline slightly from 1995 levels. The 1996 Medicare risk premium rate increase will approximate 8 percent. Medicare risk premiums approximated 26 percent and 24 percent of the Company's premium revenues for the years ended December 31, 1995 and 1994, respectively. The medical loss ratio for the year ended December 31, 1995 was 83.7 percent compared to 82.1 percent for the year ended December 31, 1994. This increase in the medical loss ratio was primarily due to increased hospital and physician costs. The administrative cost ratio was 11.7 percent and 13.3 percent for the years ended December 31, 1995 and 1994, respectively. This reduction in the administrative cost ratio is the result of premium revenues increasing at a greater rate than administrative costs.

### 3. Related Parties

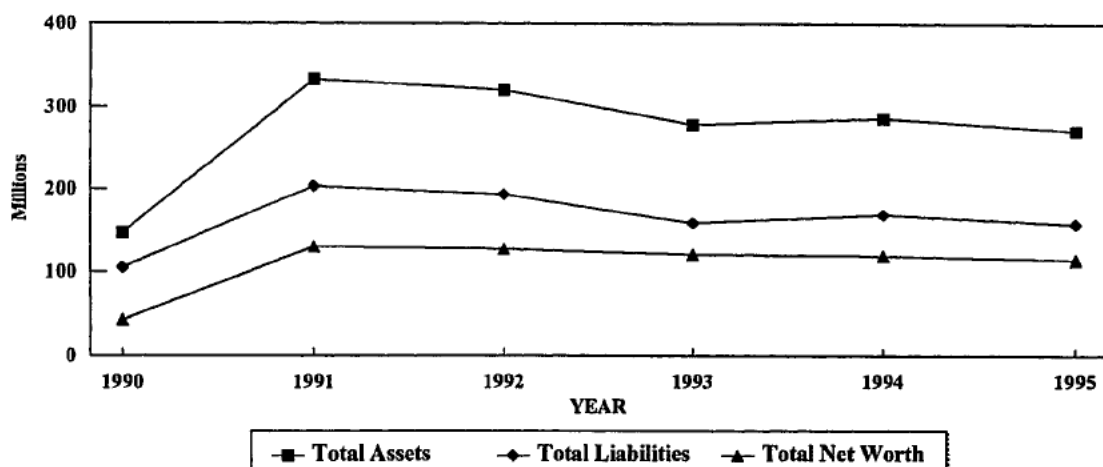
All outstanding shares of the Company are owned by Humana, Inc. ("Humana"). The Company has a management contract with Humana whereby the Company is provided with data processing, marketing, insurance, claims processing, legal, and other services as required by the Company. The management fee for these services is adjusted periodically and is based upon a percentage of earned premiums.

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<sup>1</sup>Excerpts quoted from the Annual Statement for the Year 1995 of the Humana Health Plan, Inc., and the company's 1995 "Management's Discussion and Analysis" supplemental filing.

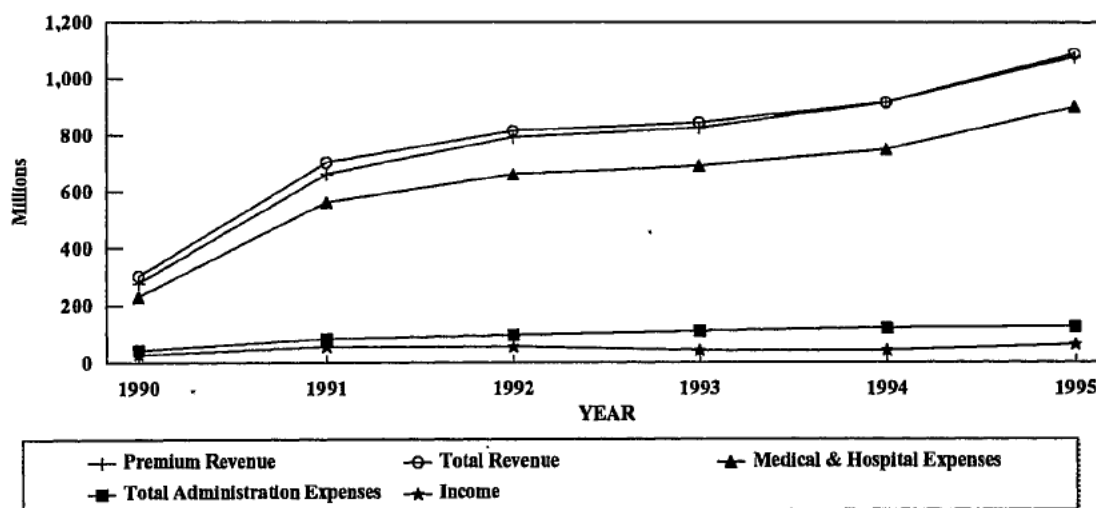
# Humana Health Plan, Inc.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$146,888,559	\$332,686,431	\$320,531,129	\$278,541,621	\$286,838,997	\$270,859,469
Total Liabilities	\$104,793,082	\$202,877,703	\$192,940,224	\$158,241,208	\$168,195,759	\$156,437,881
Total Net Worth	\$42,095,477	\$129,808,728	\$127,590,905	\$120,300,413	\$118,643,238	\$114,421,588

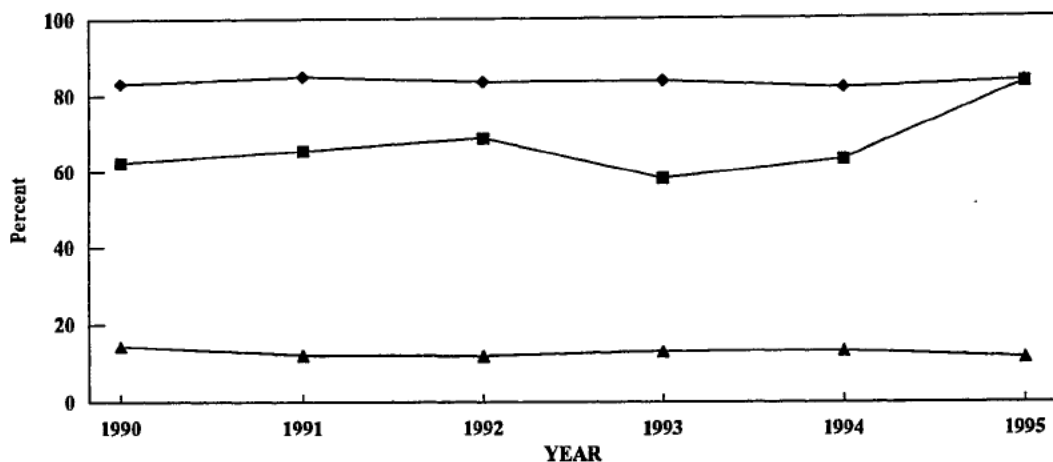
## Income Statement Items



Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$277,294,776	\$662,165,705	\$791,382,149	\$824,790,221	\$916,605,947	\$1,078,384,626
Total Revenue	\$300,550,329	\$702,454,678	\$815,632,381	\$844,103,468	\$915,890,430	\$1,089,751,605
Medical & Hospital Expenses	\$230,521,306	\$562,370,558	\$661,206,858	\$690,239,763	\$750,377,075	\$899,811,666
Administration Expenses	\$43,076,995	\$84,461,880	\$97,282,361	\$110,740,248	\$121,542,875	\$126,033,469
Income	\$26,952,028	\$55,622,240	\$57,143,162	\$43,123,457	\$43,970,480	\$63,906,470

# Humana Health Plan, Inc.

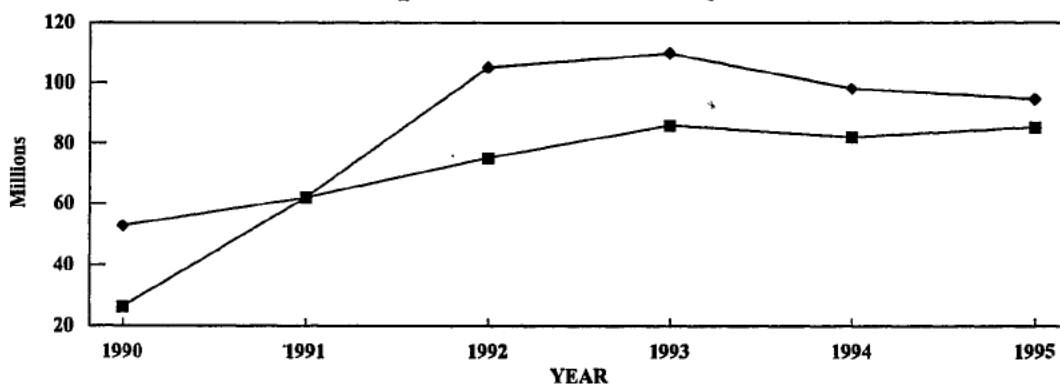
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	62.4%	65.3%	68.6%	58.0%	63.0%	83.2%
Medical & Hospital Expenses/Premium Revenue	83.1%	84.9%	83.6%	83.7%	81.9%	83.4%
Administration Expenses/Total Revenue	14.3%	12.0%	11.9%	13.1%	13.3%	11.6%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$26,154,325	\$61,933,766	\$75,066,085	\$85,949,286	\$82,118,903	\$85,342,525
Estimated Liability of Unpaid Claims Previous Year	\$52,623,846	\$61,933,766	\$104,998,153	\$109,813,756	\$98,098,895	\$94,564,593

Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

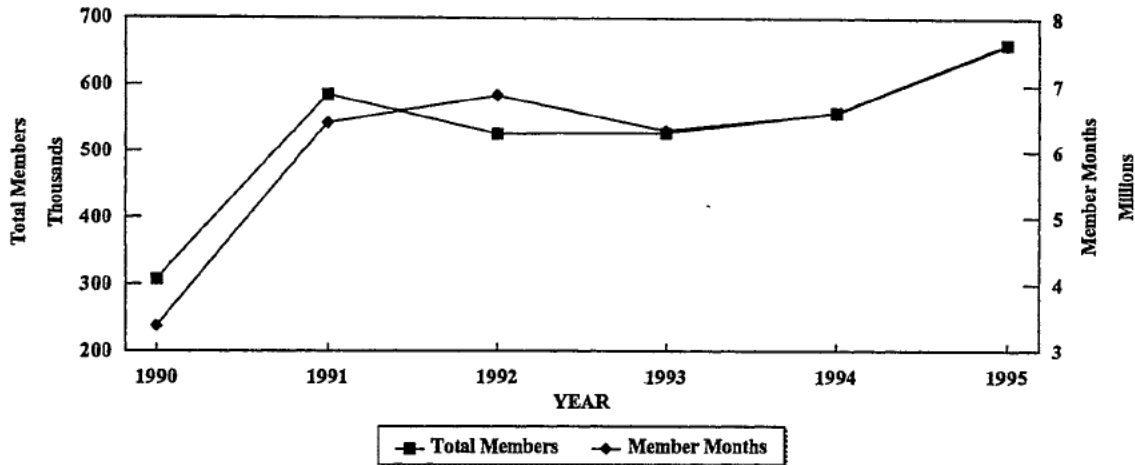
Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# Humana Health Plan, Inc.

Note: The first chart and table includes both non-Missouri and ASO enrollment. The second chart includes both HMO and ASO members residing in Kansas and/or Missouri. Approximately 12% of totals shown in the second table/chart are Medicaid recipients.

## Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	307,129	584,676	526,354	527,662	558,948	661,943
Total Member Months	3,373,210	6,431,802	6,844,814	6,316,127	6,583,378	7,595,203

## 1995 Enrollment Demographics

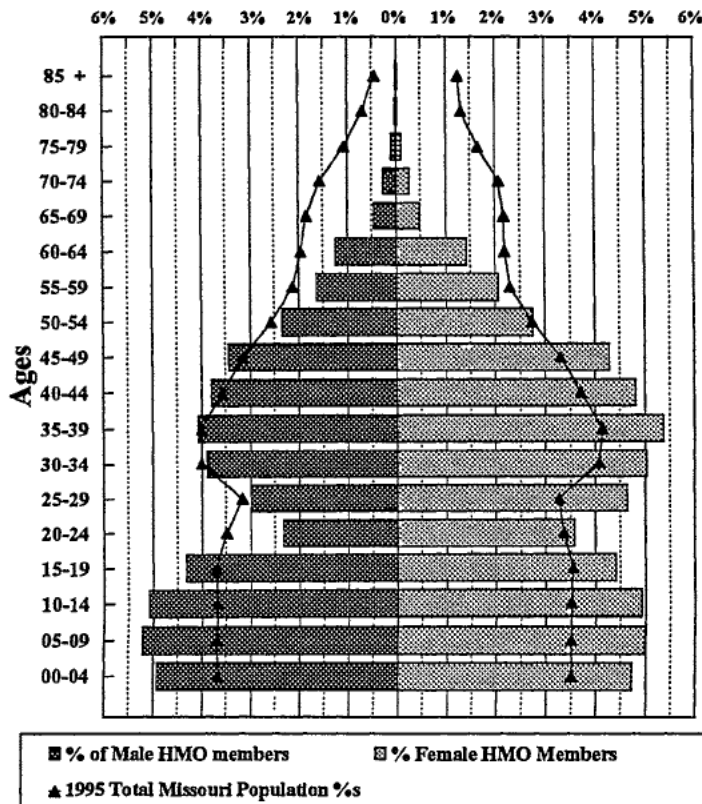
### Average Age of Enrollees

Commercial Members = 30.9  
 Medicaid Members = 12.7  
 Total Members = 28.7

Males	Females	Totals
16	26	42
25	33	58
107	105	212
274	275	549
484	493	977
1,308	1,511	2,819
1,746	2,188	3,934
2,483	2,920	5,403
3,645	4,547	8,192
4,016	5,102	9,118
4,306	5,701	10,007
4,121	5,339	9,460
3,176	4,926	8,102
2,478	3,782	6,260
4,584	4,676	9,260
5,391	5,231	10,622
5,529	5,300	10,829
5,216	5,011	10,227
48,905	57,166	106,071

### Percentage of Female Enrollees

Commercial Members = 53.3%  
 Medicaid Members = 58.3%  
 Total Members = 53.9%



# Humana Kansas City, Inc.

## Humana Kansas City, Inc.

10450 Holmes Street, Suite 330

Kansas City, MO 64131

816/941-8900

State of Domicile: Missouri

Incorporated: November 21, 1986

Admitted to Missouri: November 25, 1986

Federally qualified: 11/01/86 - in Kansas City metro area only

Accredited: NCQA - One Year - to be reviewed 04/97

Model type: Mixed

An affiliated company of: Humana, Inc.

## 1995 YEAR-END OFFICERS

President: Wayne Thomas Smith

Secretary: Joan Olliges Kroger

Senior V.P. - Finance & Operations: William Larry Cash

### Other Officers:

William R. Drury, Karen A. Coughlin, Philip B. Garmon, Jerry L. McClellan, Sheri E. Mitchell, James E. Murray, Walter E. Neely, Bruce D. Perkins, Ronald S. Lankford M.D., Barry W. Averill, George G. Bauernfeind, Douglas R. Carlisle, James W. Doucette, Heidi S. Margulis, Thomas D. Stroud, George W. Vieth Jr., Ernest I. Weis M.D., David W. Wille

## 1995 YEAR-END DIRECTORS

Wayne Thomas Smith,

William Larry Cash, Karen Ann Coughlin,

Philip Brent Garmon, Ronald Soverly Lankford M.D.

## 1995 MISSOURI ENROLLMENT

Total Missouri member months for the year:

**798,281**

Missouri members at end of year:

**67,372**

## SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Kansas and Missouri:

**51**

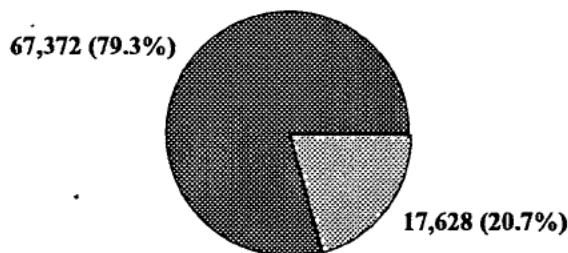
Approximate number of primary care physicians (PCP) in KS/MO area:

**430**

Total number of participating physicians in Kansas and Missouri:

**2,312**

## 1995 TOTAL ENROLLMENT



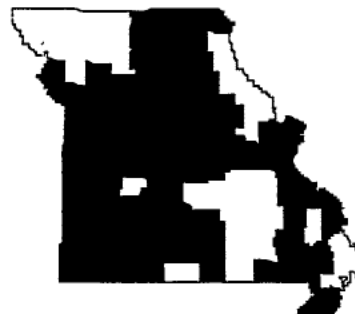
■ Missouri Members

■ Non-Missouri Members

## MISSOURI COUNTIES IN SERVICE AREA

Adair, Audrain, Barry, Barton, Bates, Benton, Boone, Buchanan, Butler, Caldwell, Callaway, Camden, Cape Girardeau (POS only), Carroll, Cass, Cedar, Chariton, Christian, Clark, Clay, Cole, Cooper, Dade, Dallas, Douglas, Dunklin, Franklin, Gasconade, Greene, Henry, Howard, Howell, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Linn, Macon, Madison, Maries, McDonald, Miller, Moniteau, Monroe, Montgomery, Morgan, Newton, Osage, Pemiscot, Perry, Pettis, Platte, Polk, Putnam, Randolph,

Ray, Ripley, St. Charles, St. Clair, St. Francois, Ste. Genevieve, St. Louis, St. Louis City, Saline, Schuyler, Scotland, Shelby, Stoddard, Stone, Sullivan, Taney, Vernon, Wayne, Webster, Wright



## KANSAS COUNTIES IN SERVICE AREA

Atchison, Jefferson, Johnson, Leavenworth, Linn, Miami, Wyandotte

# HUMANA KANSAS CITY, INC.

## Notes to Financial Statements Management's Discussion & Analysis<sup>1</sup>

---

### 1. Organization

Humana Kansas City, Inc. (the "Company") is a wholly-owned subsidiary of Humana, Inc. ("Humana") and is licensed to do business in the states of Kansas and Missouri. The Company offers managed health care products which integrate management with the delivery of health care services through a network of providers who may share financial risk or have incentives to deliver cost-effective medical services. HMOs control health care costs by various means including the use of utilization controls such as pre-admission approval for hospital inpatient services and pre-authorization of outpatient surgical procedures. The Company is organized as a staff model and an IPA Model. The subscriber contracts of the Company consist of employer group contracts ("Commercial") and a Medicare risk contract.

### 2. Operations

The Company's premium revenues decreased approximately 12 percent for the Commercial product and increased approximately 34 percent for the Medicare risk product. This was the result of membership declines offset by an average premium rate increase of approximately 2 percent for the Commercial product, membership gains with a slight increase in the average premium rate for the Medicare risk product, and the introduction of the Medicaid product. Commercial premium rates for 1996 are expected to remain flat or decline slightly from 1995 levels. The weighted average 1996 Medicare risk premium rate increase will approximate 8 percent. The medical loss ratio for the year ended December 31, 1995 was 89.7 percent compared to 84.8 percent for the year ended December 31, 1994. The increase in the medical loss ratio was caused by increased hospital utilization (patient days per thousand numbers for the year ended December 31, 1995 increased approximately 14 percent from the same period a year ago to 392 days per thousand) and a reclassification of fee-for-service and copayment revenue out of medical and hospital expenses and into fee-for-service revenue. The administrative cost ratio was 14.1 percent and 13.1 percent for the years ended December 31, 1995 and 1994, respectively.

### 3. Related Parties

All outstanding shares of the Company are owned by Humana, Inc. ("Humana"). The Company has a management contract with Humana whereby the Company is provided with data processing, marketing, insurance, claims processing, legal and other services as required by the Company. The management fee for these services is adjusted periodically and is based upon a percentage of earned premiums.

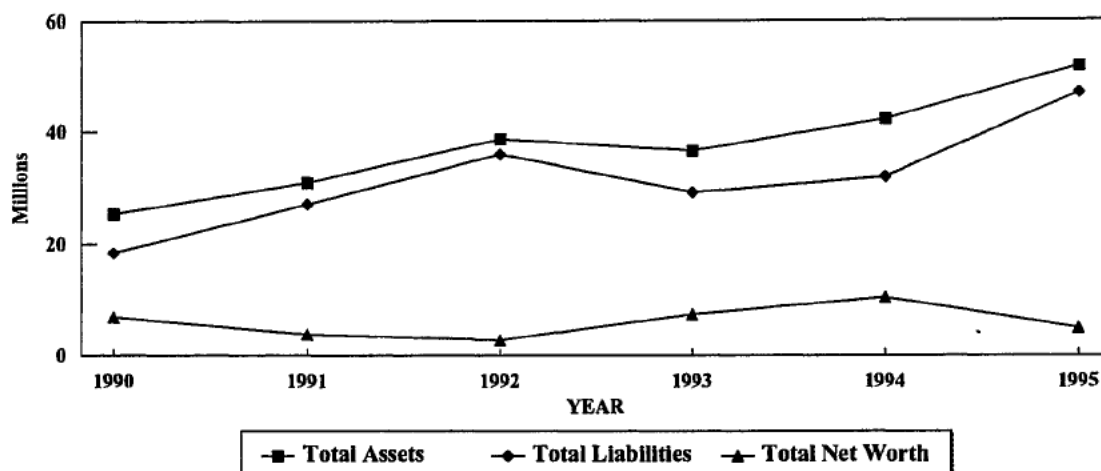
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<sup>1</sup>Excerpts quoted from the Annual Statement for the Year 1995 of the Humana Kansas City, Inc., and the company's 1995 "Management's Discussion and Analysis" supplemental filing.



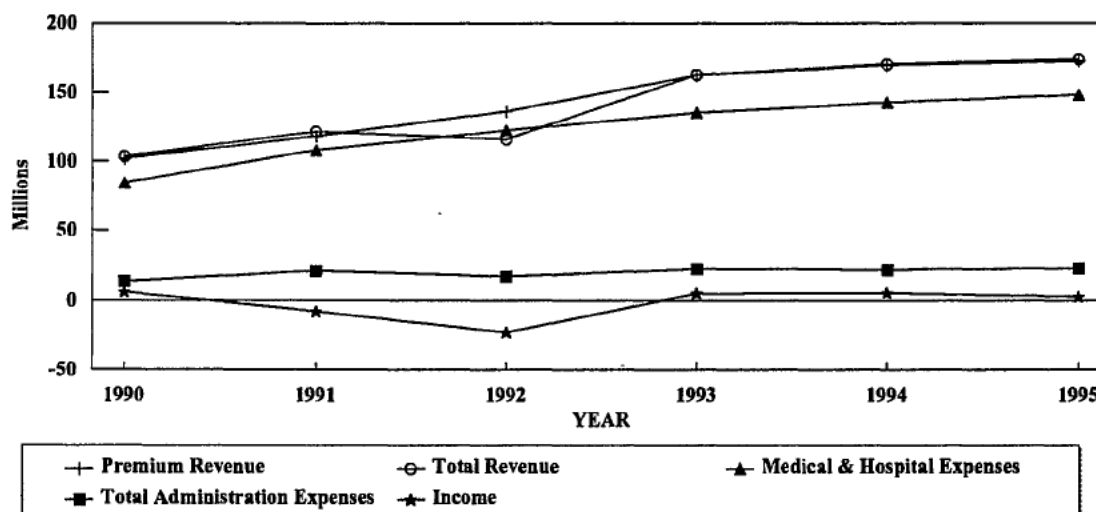
# Humana Kansas City, Inc.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$25,300,715	\$30,840,105	\$38,582,106	\$36,461,781	\$42,186,646	\$51,768,705
Total Liabilities	\$18,387,456	\$27,056,173	\$35,854,337	\$29,114,747	\$31,764,307	\$46,905,778
Total Net Worth	\$6,913,259	\$3,783,932	\$2,727,769	\$7,347,034	\$10,422,339	\$4,862,927

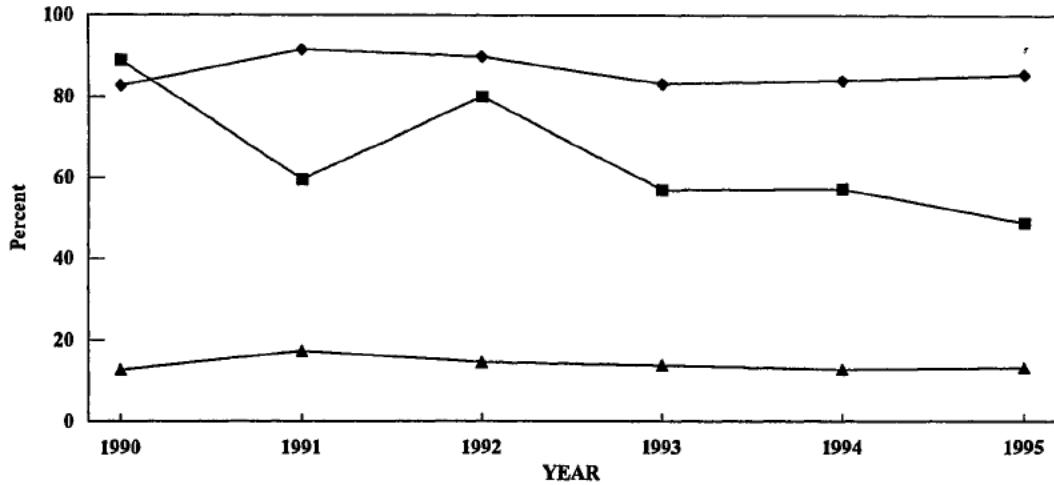
## Income Statement Items



Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$102,179,621	\$118,118,334	\$135,891,471	\$162,366,799	\$169,583,301	\$172,624,260
Total Revenue	\$103,500,040	\$121,397,821	\$115,686,844	\$162,843,781	\$170,349,760	\$174,019,842
Medical & Hospital Expenses	\$84,407,340	\$108,157,175	\$122,020,514	\$135,224,822	\$142,670,684	\$148,038,607
Administration Expenses	\$13,173,248	\$20,982,904	\$16,851,626	\$22,645,215	\$22,039,396	\$23,194,483
Income	\$5,919,452	(\$7,742,258)	(\$23,185,296)	\$4,973,744	\$5,639,680	\$2,786,752

# Humana Kansas City, Inc.

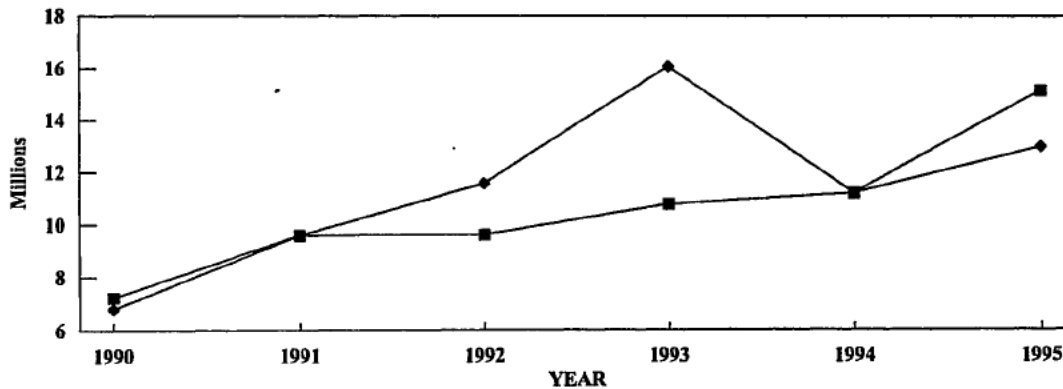
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	88.9%	59.8%	80.1%	57.2%	57.6%	49.3%
Medical & Hospital Expenses/Premium Revenue	82.6%	91.6%	89.8%	-238.4%	84.1%	85.8%
Administration Expenses/Total Revenue	12.7%	17.3%	14.6%	6548.2%	12.9%	13.3%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$7,242,378	\$9,594,742	\$9,621,816	\$10,762,365	\$11,189,381	\$15,097,741
Estimated Liability of Unpaid Claims Previous Year	\$6,800,768	\$9,594,742	\$11,540,806	\$16,038,462	\$11,169,734	\$12,931,397

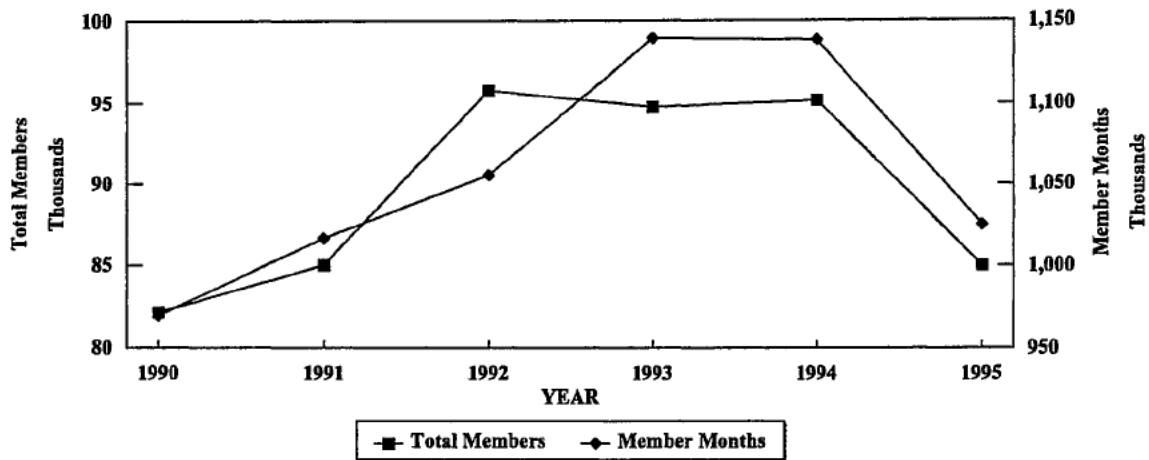
Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# Humana Kansas City, Inc.

## Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	82,147	85,010	95,772	94,757	95,161	85,000
Total Member Months	969,564	1,016,578	1,055,312	1,139,336	1,138,290	1,025,080

## 1995 Enrollment Demographics

Note: Although the lines in the following chart depict the distribution of total Missouri population, the bars actually include Humana Kansas City members residing in Kansas. Approximately 16% of total enrollees are Medicaid recipients, and 7% are contracted Medicare risk enrollees.

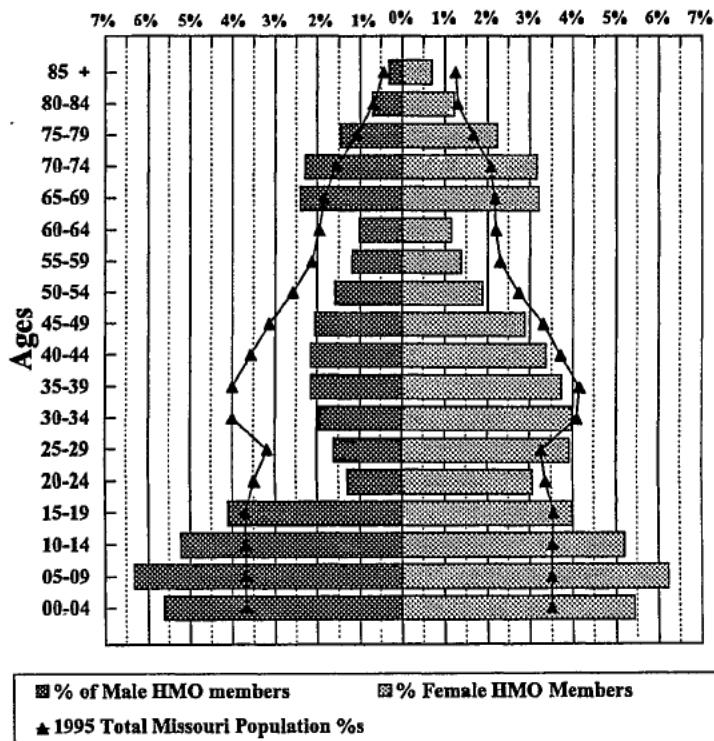
### Average Age of Enrollees

Commercial Members = 27.2  
 Medicare Members = 72.8  
 Medicaid Members = 13.2  
 Total Members = 32.9

### Percentage of Female Enrollees

Commercial Members = 55.4%  
 Medicare Members = 59.4%  
 Medicaid Members = 58.2%  
 Total Members = 56.6%

Males	Females	Totals
228	484	712
485	856	1,341
1,023	1,552	2,575
1,604	2,204	3,808
1,681	2,239	3,920
715	799	1,514
820	974	1,794
1,112	1,310	2,422
1,442	2,011	3,453
1,512	2,357	3,869
1,515	2,612	4,127
1,375	2,782	4,157
1,123	2,736	3,859
901	2,136	3,037
2,880	2,780	5,660
3,658	3,641	7,299
4,429	4,367	8,796
3,938	3,806	7,744
30,441	39,646	70,087



# Kaiser Foundation Health Plan of Kansas City, Inc.

## Kaiser Foundation Health Plan of Kansas City, Inc.

10561 Barkley, Suite 500  
Overland Park, KS 66212  
800/632-9700 or 913/967-4600  
State of Domicile: Kansas

An affiliated company of: Kaiser Foundation Health Plan, Inc.

Incorporated: May 19, 1981

Admitted to Missouri: May 19, 1981

Federally qualified: January 7, 1983

Accredited: NCQA - Full Accreditation

Model type: Group

### 1995 YEAR-END OFFICERS

President: Kathryn Paul  
Secretary: Kirk Miller  
Chief Financial Officer: Janice Murphy  
Other Officers: Richard Barnaby, David Lawrence

### 1995 YEAR-END DIRECTORS

Richard Barnaby, Charles Hucker,  
Kathryn Paul, Leon Logan,  
John Raydo, Susan Porth, David Lawrence

### 1995 MISSOURI ENROLLMENT

Total Missouri member months:

**342,239**

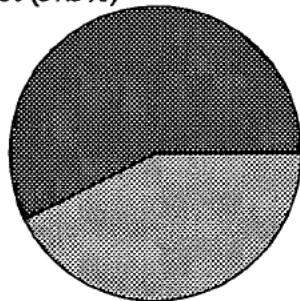
Total Missouri members:

**26,980**

### 1995 TOTAL ENROLLMENT

Non-Missouri enrollment includes Kansas members

**26,980 (57.3%)**



**20,072 (42.7%)**

■ Missouri Members

■ Non-Missouri Members

### SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Kansas and Missouri:

**20**

Approximate number of primary care physicians in Kansas and Missouri:

**34**

Total number of participating physicians in Kansas and Missouri:

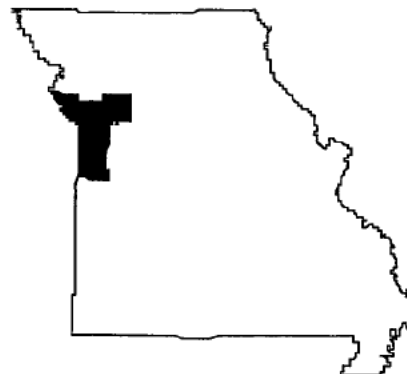
**56**

### MISSOURI COUNTIES IN SERVICE AREA

Cass, Clay, Jackson, Platte, Ray

### KANSAS COUNTIES IN SERVICE AREA

Johnson, Leavenworth, Wyandotte



# KAISER FOUNDATION HEALTH PLAN of KANSAS CITY, INC.

## Management's Discussion & Analysis<sup>1</sup>

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### 1. Organization and Operation

Kaiser Foundation Health Plan of Kansas City, Inc. (Health Plan) is a non-profit corporation, exempt from federal and state income taxes, whose capital is available for health care purposes. Health Plan contracts with Kaiser Foundation Hospitals (Hospitals) and the Permanents Medical Group of Mid-America, P.C. (Medical Group) to provide or arrange hospital and medical services for our members. Contract payments to Medical Group and Hospitals represent a substantial portion of the expenses for medical and hospital services reported in the Statement of Revenues, Expenses and Net Worth.

### 2. Results of Operations

We (*the Health Plan*) exceeded our growth projections by 743 members and ended the year with 47,052 for an increase of 2,841 when compared to year end 1994. Revenues were unfavorable to forecast. Premium revenues accounted for most of this unfavorability. This was primarily due to a short fall in membership in the Federal Group (the largest group in the Health Plan). Although membership was exceeded, the return generated in the areas of growth was less than it would have been in the Federal Group. Expenses were slightly unfavorable to the budget on a Per Member / Per Month basis. On a dollar basis, expenses were unfavorable to budget. Payments to the Medical Group were favorable to budget due to a new contract. Payments to Outside Providers were unfavorable due to higher than anticipated utilization of services and under-accruals in our 1994 year end IBNR (*Incurred-But-Not-Reported*) provisions. Hospitalization was unfavorable due to larger than anticipated utilization at Other Hospitals and In-Area Claims. Our (*the Health Plan's*) practice is to watch expenses closely during the year and make any necessary changes, whenever possible.

### 3. Cash Flow and Liquidity

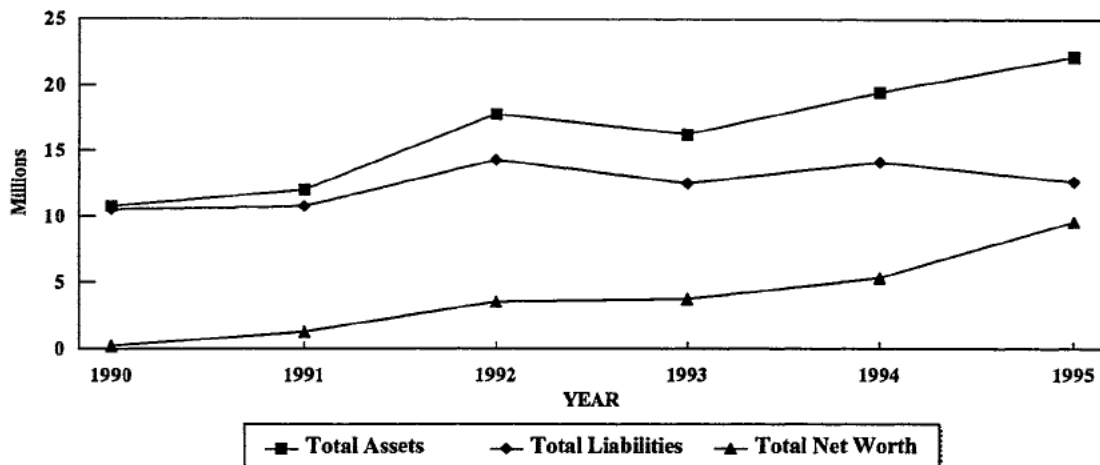
Net income more than doubled from 1994 (*from \$863,446 in 1994 to \$1,738,881 in 1995*), however, cash and cash equivalents decreased by \$257,286. This resulted from an increase in the Premium Receivable, larger investments in Property, Plan and Equipment and the decrease in Non-Admitted Assets. In addition to the \$620,756 in cash in the assets section of the submission, Health Plan carries \$13,146,834 in amounts due from affiliates. The majority of this represents pool investments made by Kaiser Foundation Hospitals in California which could be returned to Health Plan on short notice.

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<sup>1</sup>Excerpts quoted from Kaiser Foundation Health Plan of Kansas City, Inc.'s 1995 "Management's Discussion and Analysis" supplemental filing. Italicized text indicates unquoted text added for clarification.

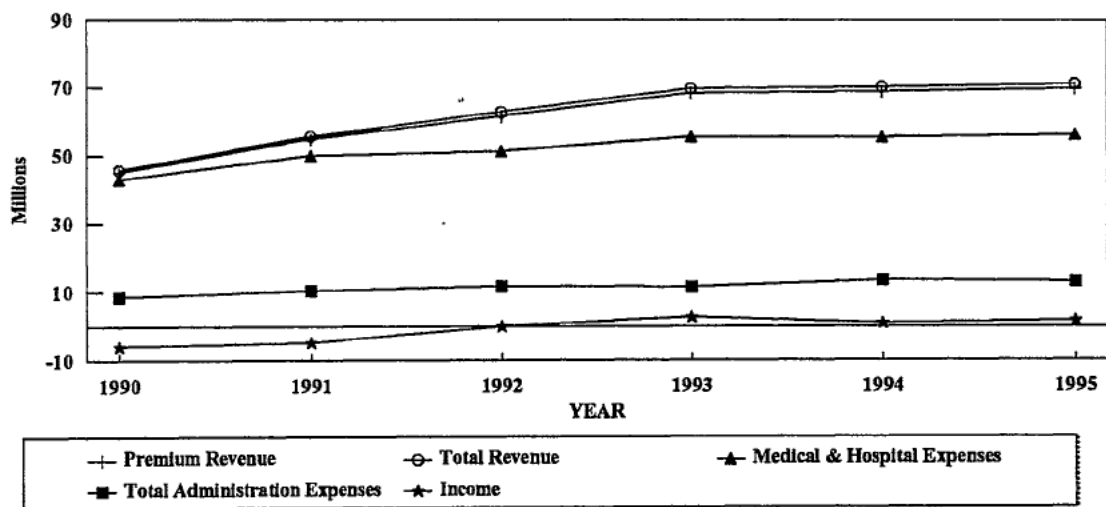
# Kaiser Foundation Health Plan of KC, Inc.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$10,735,022	\$12,019,206	\$17,875,327	\$16,297,217	\$19,537,608	\$22,272,604
Total Liabilities	\$10,504,704	\$10,736,153	\$14,311,971	\$12,554,578	\$14,197,894	\$12,697,998
Total Net Worth	\$230,318	\$1,283,053	\$3,563,356	\$3,742,639	\$5,339,714	\$9,574,606

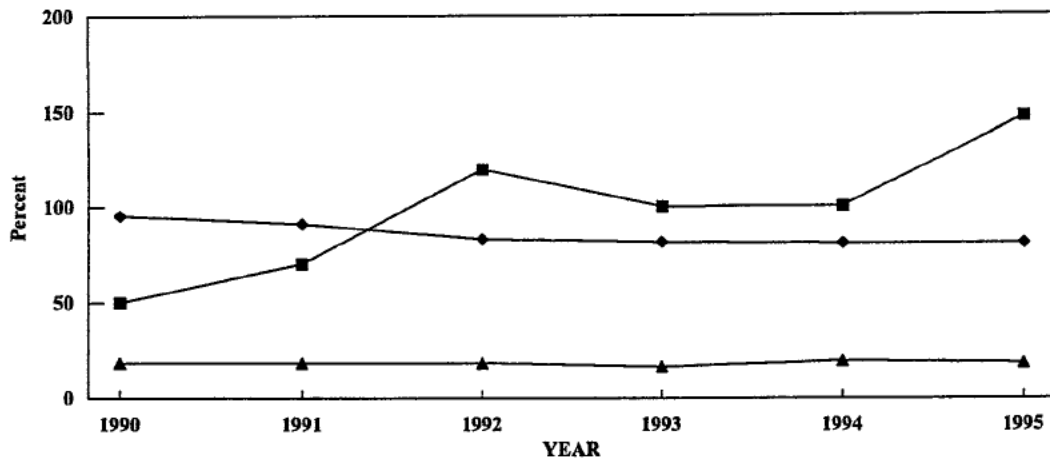
## Income Statement Items



Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$45,028,677	\$54,769,808	\$61,567,684	\$68,323,923	\$68,846,009	\$69,806,175
Total Revenue	\$45,547,219	\$55,492,480	\$62,646,780	\$69,645,759	\$70,104,239	\$71,162,047
Medical & Hospital Expenses	\$42,974,812	\$49,837,664	\$51,133,394	\$55,624,856	\$55,646,549	\$56,302,781
Administration Expenses	\$8,409,142	\$10,316,918	\$11,585,180	\$11,441,635	\$13,594,244	\$13,120,385
Income	(\$5,836,735)	(\$4,662,102)	(\$71,794)	\$2,579,268	\$863,446	\$1,738,881

# Kaiser Foundation Health Plan of KC, Inc.

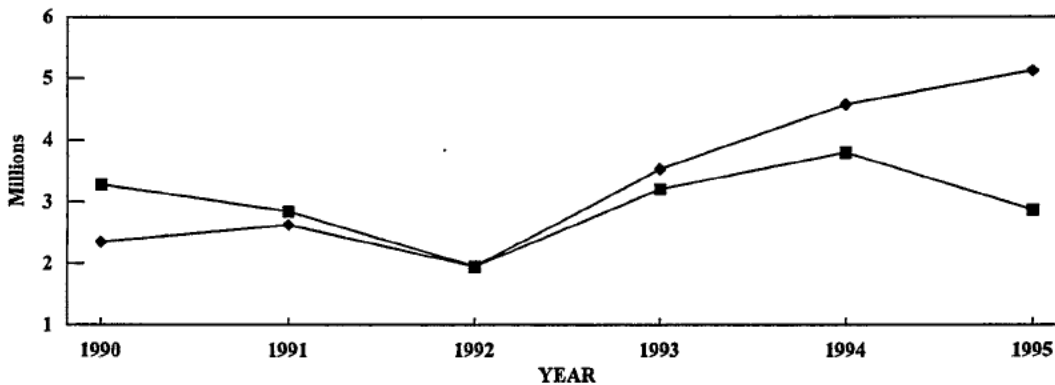
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	50.0%	70.0%	120.0%	100.0%	100.3%	147.4%
Medical & Hospital Expenses/Premium Revenue	95.4%	91.0%	83.1%	81.4%	80.8%	80.7%
Administration Expenses/Total Revenue	18.5%	18.6%	18.5%	16.4%	19.4%	18.4%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$3,282,507	\$2,845,251	\$1,941,855	\$3,207,127	\$3,797,383	\$2,879,377
Estimated Liability of Unpaid Claims Previous Year	\$2,346,221	\$2,629,477	\$1,945,984	\$3,532,273	\$4,574,747	\$5,121,698

Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

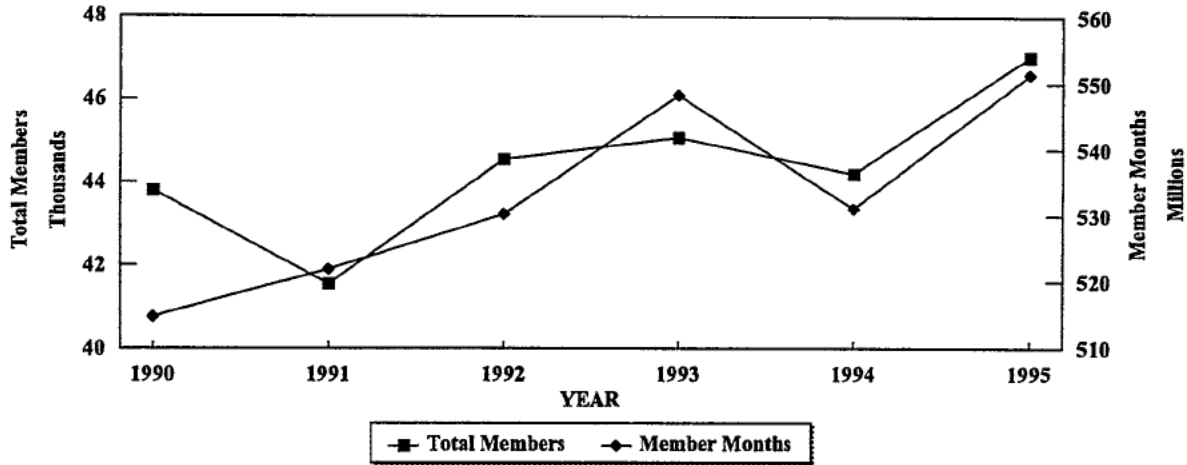
Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# Kaiser Foundation Health Plan of KC, Inc.

Note: The first chart and table include Kansas and Missouri enrollment. The second chart and table only includes HMO members residing in Missouri, with the exception of approximately 6,500 federal employee members. Approximately 6% of the gender counts shown are Medicare enrollees.

## Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	43,793	41,545	44,548	45,082	44,211	47,052
Total Member Months	514,744	521,839	530,151	548,155	531,096	551,341

## 1995 Missouri Enrollment Demographics

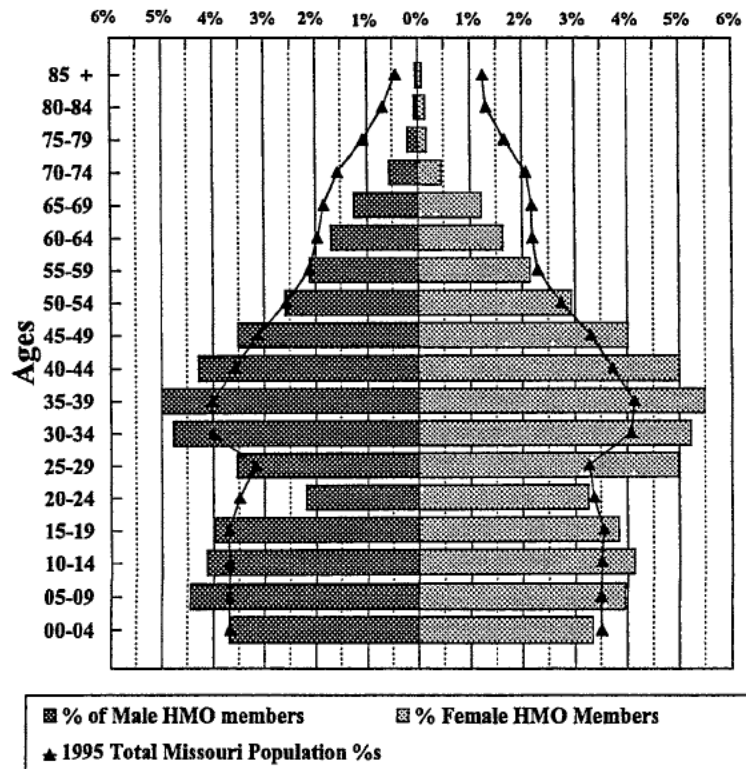
### Average Age of Enrollees

Commercial Members = 30.4  
 Medicare Members = 69.1  
 Total Members = 31.9

### Percentage of Female Enrollees

Commercial Members = 52.0%  
 Medicare Members = 49.2%  
 Total Members = 51.9%

Males	Females	Totals
9	15	24
16	26	42
41	34	75
115	91	206
257	247	504
346	331	677
431	437	868
529	601	1,130
716	820	1,536
874	1,019	1,893
1,021	1,119	2,140
976	1,065	2,041
721	1,018	1,739
447	663	1,110
807	783	1,590
844	842	1,686
909	807	1,716
751	681	1,432
9,810	10,599	20,409





# Medical Center Health Plan, d/b/a Partners HMO

## Medical Center Health Plan, d/b/a Partners HMO

One City Place Drive, Suite 670

St. Louis, MO 63141

314/567-6660

State of Domicile: Missouri

Ultimate parent company/holding group: Washington University, Barnes Hospital, Jewish Hospital, and St. Louis Children's Hospital

Incorporated: July 9, 1987

Admitted to Missouri: February 11, 1988

Federally qualified: N/A

Accredited: N/A

Model type: IPA

### 1995 YEAR-END OFFICERS

President: Edward Case

Secretary: Christopher Buckley

Chief Financial Officer: Lee Fetter

Other Officers: Homer Nash M.D.

### 1995 YEAR-END DIRECTORS

Edward Case, John Finan, Homer Nash M.D., John Rice M.D.,

James Crane M.D., William Behrendt, Lee Fetter, Henry Kaplan M.D.,

Ted Frey, Peter Tuteur M.D., Christopher Buckley, James Schreiber M.D.,

Matthew Emons M.D., Jay Justice, Ronald Strickler M.D.

### 1995 MISSOURI ENROLLMENT

Total Missouri member months for the year:

560,336

Missouri members at end of year:

48,408

### SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Illinois and Missouri:

24

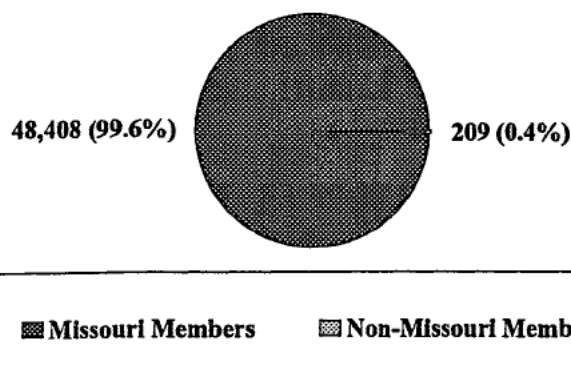
Approximate number of primary care physicians (PCP) in IL/MO area:

780

Total number of participating physicians:

2,783

### 1995 TOTAL ENROLLMENT

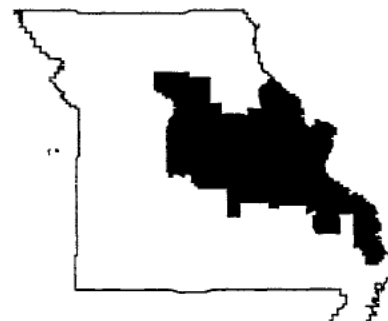


### MISSOURI COUNTIES IN SERVICE AREA

Boone, Callaway, Cape Girardeau, Chariton, Cole, Cooper, Crawford, Franklin, Gasconade, Howard, Jefferson, Lincoln, Madison, Maries, Miller, Moniteau, Montgomery, Morgan, Osage, Perry, Phelps, Pike, Randolph, St. Charles, Ste. Genevieve, St. Francois, St. Louis, St. Louis City, Scott, Warren, Washington

### ILLINOIS COUNTIES IN SERVICE AREA

Jersey, Madison, Monroe, Randolph, St. Clair



# **MEDICAL CENTER HEALTH PLAN, d/b/a PARTNERS HMO**

## **Notes to Financial Statements Management's Discussion & Analysis<sup>1</sup>**

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### **1. Organization**

The Medical Center Health Plan (the "Plan") is a not-for-profit health maintenance organization and licensed to conduct business in the states of Missouri and Illinois. The Plan provides a specified range of comprehensive medical services to an enrolled population through contracted providers. As vehicles for delivery of these services, the Plan offers several managed health care products primarily to employers for the benefit of employees and their dependents. Most of the Plan's member groups are located in the metropolitan area of St. Louis, Missouri. The Plan is sponsored 36% by Washington University, 36% by Barnes Hospital, 18% by Jewish Hospital and 10% by St. Louis Children's Hospital.

### **2. Risk/Incentive Sharing**

Effective January 1, 1994, the Plan entered into an agreement with Riverbend Health Services, Christian Hospital Physician Group, and Alternatives, collectively known as CHPG/RHS a group of IPAs, to provide medical services to certain members. The Plan is at risk for inpatient and outpatient services for these members. A capitation amount, determined by the use of age and sex factors is allocated to the IPAs by the Plan to provide all other medical services. The Plan's ultimate risk for these services is limited to the capitation amount. The Plan processes these medical claims on behalf of the IPAs. The agreement generally permits a portion of the amount otherwise payable to be withheld. The ultimate payment to the IPAs of the amounts withheld is dependent upon the agreement and the results of operations for the period. Estimated withhold payments are accrued as claims are incurred.

### **3. Related Parties**

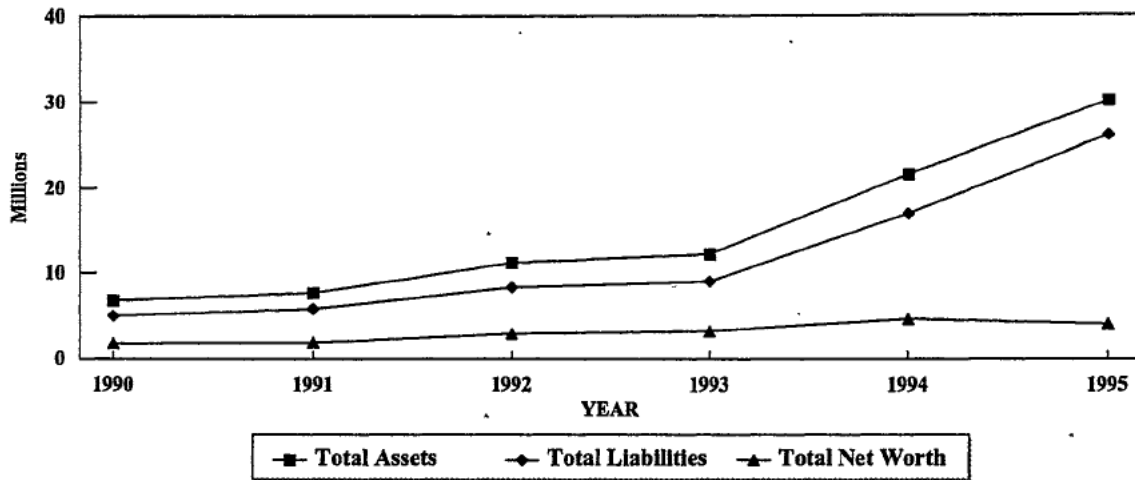
The Plan provides coverage to Medicaid-eligible individuals in the State of Missouri under a contractual agreement with the United States Department of Health and Human Services (DHHS). As of September 1995, the Plan entered into a joint venture with Mercy Health Plans to provide medical benefits to Missouri Medicaid recipients. The joint venture is known as CarePartners. Mercy Health Plans provides all administrative services to the venture and the Plan shares in 50% of all venture profits and losses. As of December 31, 1995, the Plan's share of CarePartners losses amount to \$750,000. The amount is recorded as a medical expense by the Plan.

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<sup>1</sup>Excerpts quoted from the Annual Statement as of December 31, 1995 of the Medical Center Health Plan, d/b/a Partners HMO and the company's 1995 "Management's Discussion and Analysis" supplemental filing.

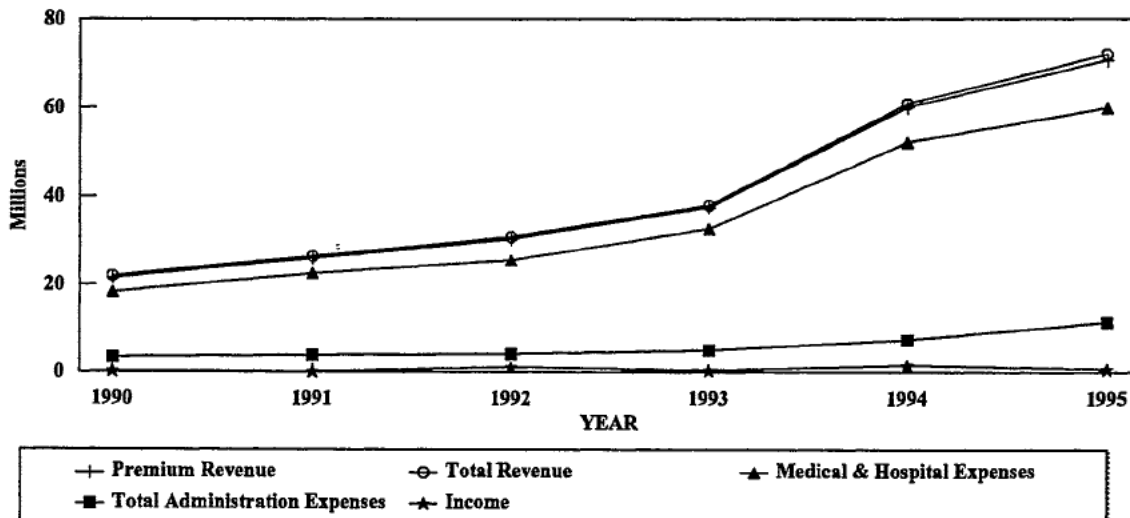
# Medical Center Health Plan d/b/a Partners HMO

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$6,741,349	\$7,631,555	\$11,172,676	\$12,167,018	\$21,503,610	\$30,068,679
Total Liabilities	\$4,990,274	\$5,792,938	\$8,318,500	\$8,968,398	\$16,954,493	\$26,081,803
Total Net Worth	\$1,751,075	\$1,838,617	\$2,854,176	\$3,198,620	\$4,549,117	\$3,986,876

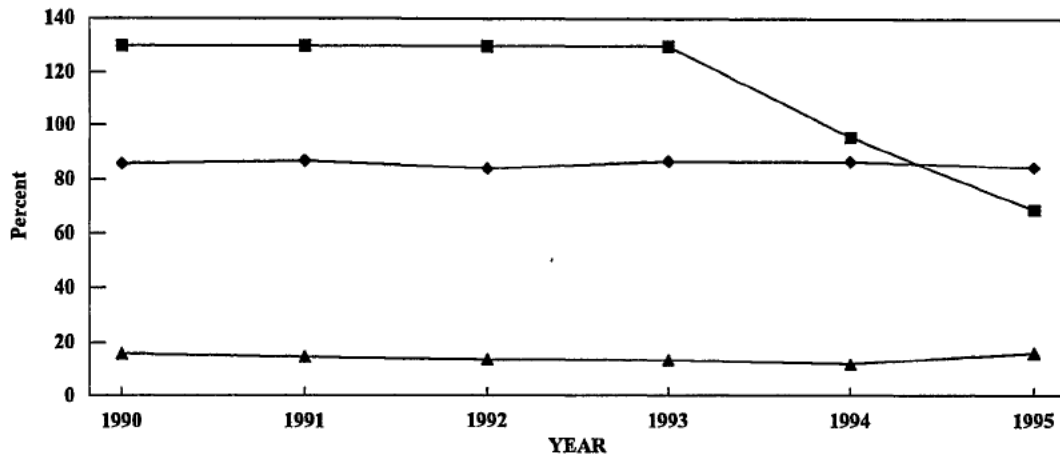
## Income Statement Items



Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$21,457,298	\$25,942,547	\$30,313,796	\$37,498,419	\$60,190,036	\$70,731,806
Total Revenue	\$21,903,673	\$26,393,415	\$30,758,893	\$37,918,728	\$60,896,284	\$72,055,931
Medical & Hospital Expenses	\$18,336,360	\$22,512,822	\$25,533,661	\$32,581,188	\$52,241,539	\$60,057,014
Administration Expenses	\$3,419,304	\$3,793,051	\$4,128,394	\$4,990,020	\$7,206,882	\$11,335,426
Income	\$148,009	\$87,542	\$1,096,838	\$347,520	\$1,447,863	\$663,491

# Medical Center Health Plan d/b/a Partners HMO

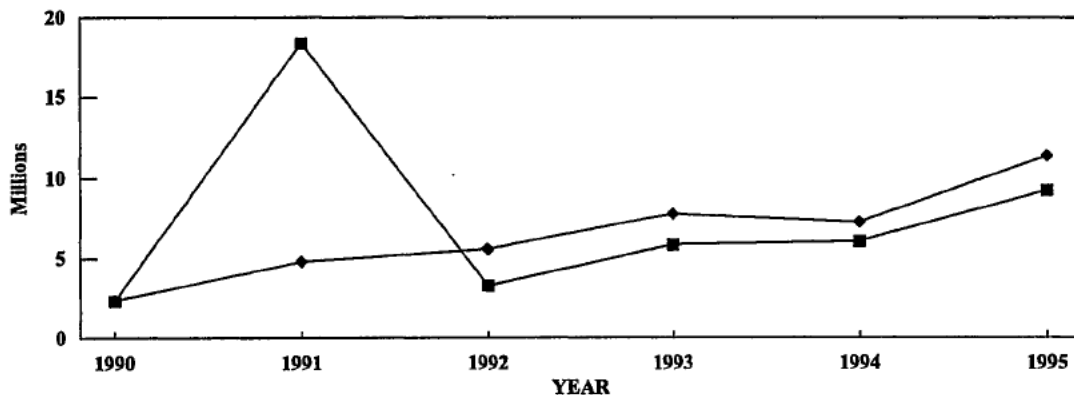
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	130.0%	130.0%	130.0%	130.0%	95.9%	68.9%
Medical & Hospital Expenses/Premium Revenue	85.5%	86.8%	84.2%	86.9%	86.8%	84.9%
Administration Expenses/Total Revenue	15.6%	14.4%	13.4%	13.2%	11.8%	15.7%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$2,322,769	\$18,378,500	\$3,301,379	\$5,854,753	\$6,033,604	\$9,214,992
Estimated Liability of Unpaid Claims Previous Year	\$2,367,703	\$4,803,929	\$5,545,166	\$7,756,635	\$7,249,312	\$11,390,963

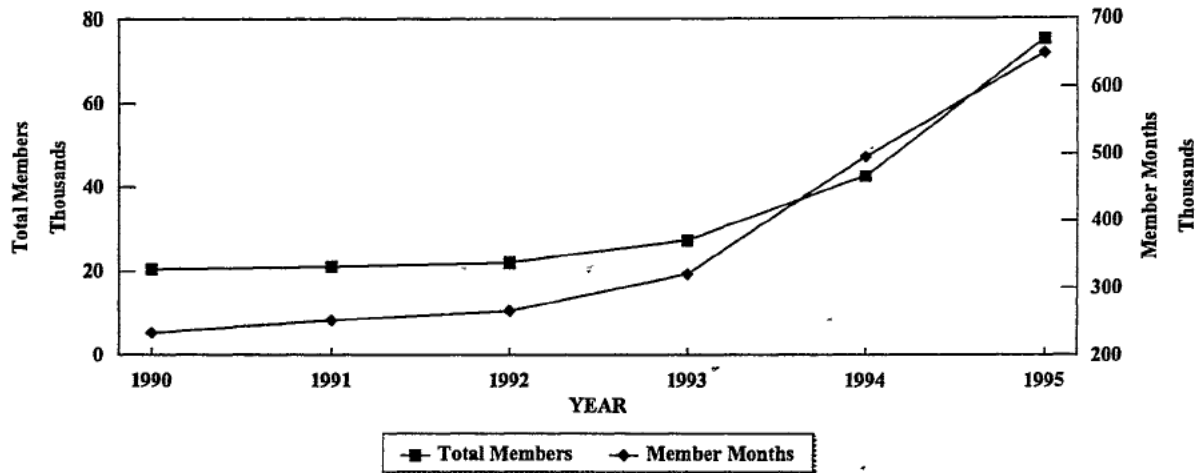
Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# Medical Center Health Plan d/b/a Partners HMO

## Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	20,445	21,045	22,045	27,211	42,529	75,262
Total Member Months	232,856	252,619	266,488	320,155	495,425	648,989

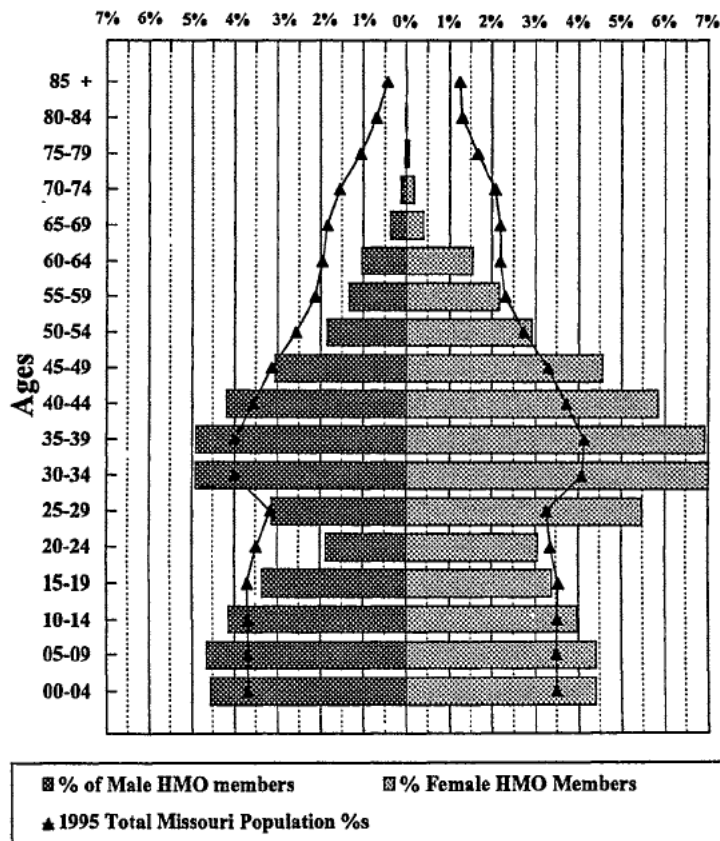
## 1995 Enrollment Demographics

The following table and chart do not include Medical Center Health Plan's 26,645 Medicaid enrollees.

Average Age of Enrollees = 29.8

Percentage of Female Enrollees = 56.4%

Males	Females	Totals
3	6	9
6	9	15
19	27	46
61	82	143
176	196	372
499	753	1,252
647	1,045	1,692
888	1,417	2,305
1,489	2,213	3,702
2,037	2,836	4,873
2,385	3,363	5,748
2,392	3,465	5,857
1,520	2,657	4,177
905	1,490	2,395
1,631	1,643	3,274
2,011	1,927	3,938
2,262	2,138	4,400
2,216	2,134	4,350
21,147	27,401	48,548



# Mercy Health Plans of Missouri, Inc., d/b/a Premier Health Plans

**Mercy Health Plans of Missouri, Inc.,  
d/b/a Premier Health Plans**  
12935 North Outer 40 Drive, Suite 200  
St. Louis, MO 63141-8636  
314/995-4545 or 314/214-8100  
State of Domicile: Missouri

An affiliated company of: Mercy Health Plans, Inc.

Incorporated: October 17, 1994  
Admitted to Missouri: January 6, 1995  
Federally qualified: N/A  
Accredited: N/A  
Model type: IPA

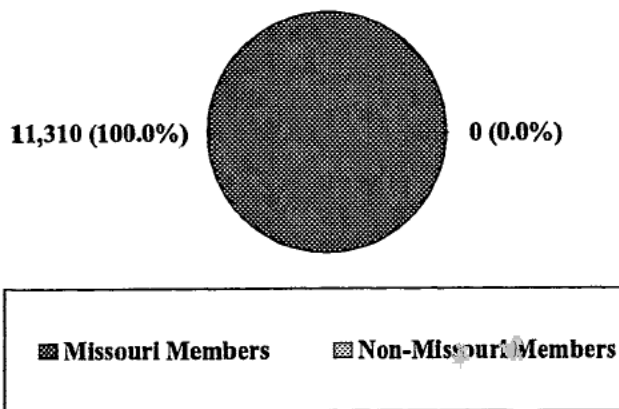
## 1995 YEAR-END OFFICERS

President: Thomas L. Kelly  
Secretary: Tim D. Temperly  
Chief Financial Officer: Tim D. Temperly

## 1995 MISSOURI ENROLLMENT

Total Missouri member months for the year:  
**38,870**  
Missouri members at end of year:  
**11,310**

## 1995 TOTAL ENROLLMENT



## 1995 YEAR-END DIRECTORS

Ronald B. Ashworth, Thomas L. Kelly, Carrol E. Aulbaugh, Robert Vogel,  
Rosalio Lopez M.D., Ronnie Brownsworth M.D., Michael L. Morgan,  
Andre Cassidy, Jerry Stewart M.D., Paul Hintze M.D., James W. Swift,

## SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Missouri:

**31**

Approximate number of primary care physicians (PCP) in Missouri:

**406**

Total number of participating physicians:

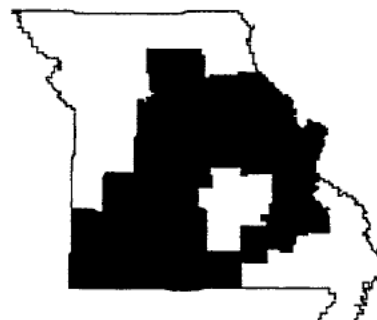
**588**

## MISSOURI COUNTIES IN SERVICE AREA

Audrain, Barry, Barton, Benton, Boone, Callaway, Camden, Cedar, Chariton, Christian, Cole, Cooper, Dade, Dallas, Douglas, Franklin, Gasconade, Greene, Hickory, Howard, Howell, Iron, Jasper, Jefferson, Laclede, Lawrence, Lincoln, Linn, McDonald, Macon, Madison, Miller, Moniteau, Monroe, Montgomery, Morgan, Newton, Osage, Ozark, Pettis, Pike, Polk, Ralls, Randolph, Reynolds, St. Charles, St. Clair, St. Francois, St. Louis, St. Louis City, Saline, Shannon, Stone, Taney, Warren, Washington, Webster, Wright

## ILLINOIS COUNTIES IN SERVICE AREA

Clinton, Jersey, Madison, Monroe, St. Clair



# MERCY HEALTH PLANS of MISSOURI, INC., d/b/a PREMIER HEALTH PLANS

## Management's Discussion & Analysis<sup>1</sup>

---

### 1. Organization

Mercy Health Plans of Missouri, Inc. was licensed in January, 1995. The operating regions in Springfield and St. Louis were actively marketing the products by year-end. Those operating regions are responsible for marketing, customer service, medical management and provider service with corporate supporting the areas of finance, contracting, claims processing, strategic planning and oversight.

### 2. Operations

**Balance Sheet:** The balance sheet is solid for a start-up HMO with strong financial reserves (\$8,355,810 in assets, and net worth of \$5,313,979 at year-end December 31, 1995). The liability for Incurred but not Reported (IBNR) claims is funded at a level which management feels is appropriate and had been confirmed by our external actuaries (\$3,041,831 in liabilities at year-end December 31, 1995).

**Statement of Earnings:** This HMO is the first year of operations has done significant work in the communities to develop product and name recognition. The expectation for next year is to build on that work to gain a respectable market share for an HMO in the second year of operation (*Mercy Health Plans of Missouri, Inc. reported 11,310 members enrolled at year-end and a net loss of \$3,686,021 for the year-end December 31, 1995).*

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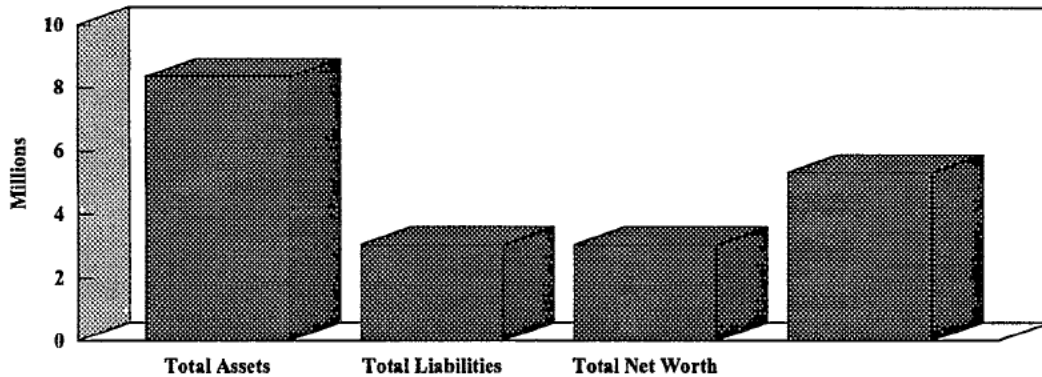
<sup>1</sup>Excerpts quoted from Mercy Health Plans of Missouri, Inc., d/b/a Premier Health Plans's 1995 "Management's Discussion and Analysis" supplemental filing. Italicized text indicates unquoted text added for clarification.

# Mercy Health Plans of Missouri, Inc., d/b/a Premier Health Plans

Note: 1995 was the first year of operations for Mercy Health Plans of Missouri, Inc. Approximately 75% of the total year-end enrollment were Medicaid recipients.

## Balance Sheet Items

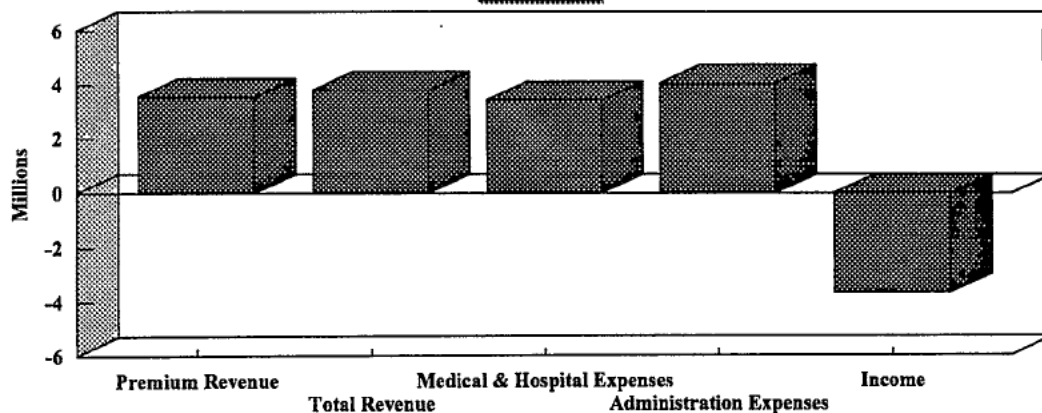
1995



Item	1995
Total Assets	\$8,355,810
Total Liabilities	\$3,041,831
Total Net Worth	\$5,313,979

## Income Statement Items

1995



Item	1995
Premium Revenue	\$3,543,148
Total Revenue	\$3,798,877
Medical & Hospital Expenses	\$3,428,865
Administration Expenses	\$4,056,033
Income	(\$3,686,021)

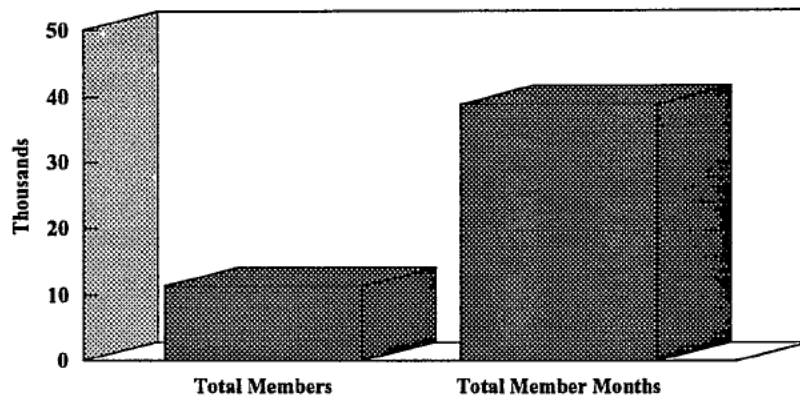


# Mercy Health Plans of Missouri, Inc., d/b/a Premier Health Plans

Note: 1995 was the first year of operations for Mercy Health Plans of Missouri, Inc. Approximately 75% of the total year-end enrollment were Medicaid recipients.

## Enrollment

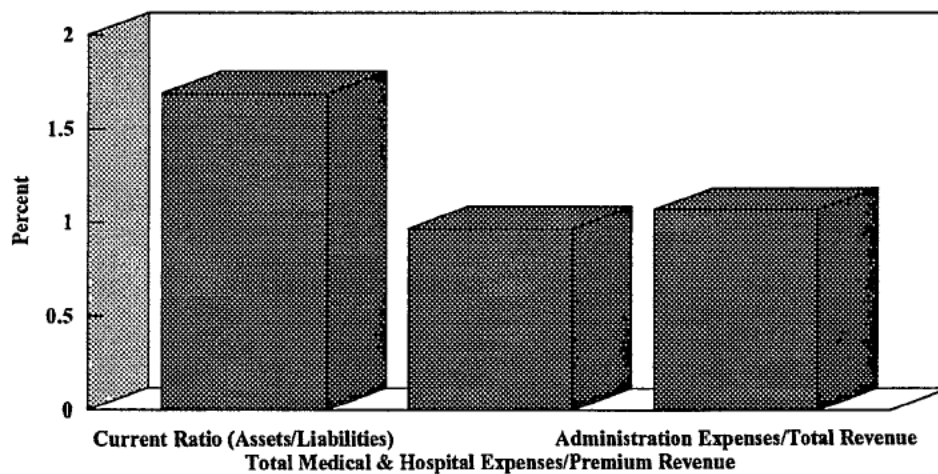
1995



Item	1995
Total Members	11,310
Total Member Months	38,870

## Formulas

1995



Item	1995
Current Ratio (Assets/Liabilities)	169.0%
Total Medical & Hospital Expenses/Premium Revenue	96.8%
Administration Expenses/Total Revenue	106.8%

# Mercy Health Plans of Missouri, Inc., d/b/a Premier Health Plans

## 1995 Enrollment Demographics

Note: The following enrollment chart and table depicts the demographic composition of Mercy Health Plans of Missouri enrollees, 75% of whom are Medicaid recipients.

### Average Age of Enrollees

Commercial Members = 33.9

Medicaid Members = 13.1

Total Members = 18.3

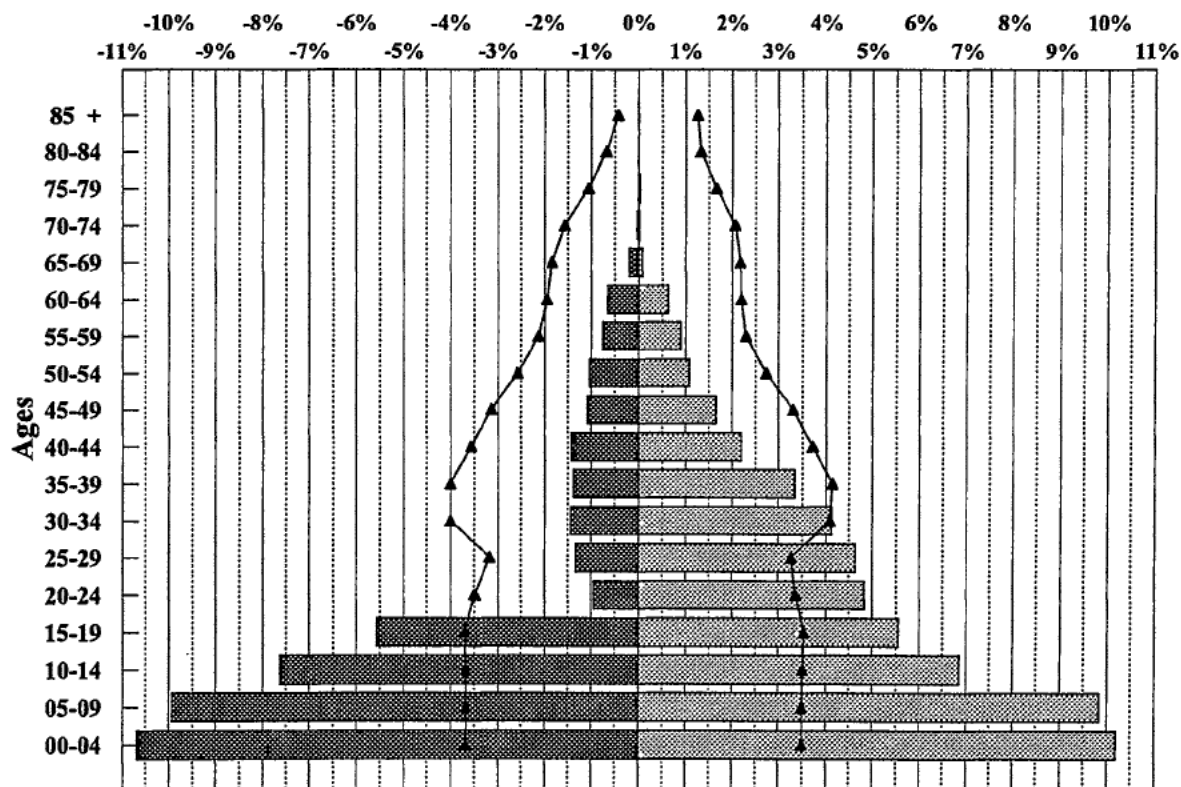
### Percentage of Female Enrollees

Commercial Members = 51.7%

Medicaid Members = 57.4%

Total Members = 56.0%

Males	Females	Totals
0	0	0
0	0	0
0	2	2
3	1	4
22	9	31
76	72	148
86	104	190
119	124	243
124	192	316
163	254	417
158	385	543
165	475	640
153	535	688
110	556	666
640	640	1,280
877	791	1,668
1144	1134	2,278
1230	1175	2,405
5,070	6,449	11,519



■ % of Male HMO members

▨ % Female HMO Members

▲ 1995 Total Missouri Population %s

# MetraHealth Care Plan of Kansas City, Inc.

## MetraHealth Care Plan of Kansas City, Inc.

9 Corporate Woods, Suite 185

9200 Indian Creek Parkway

Overland Park, KS 66210

314/524-1157 or 314/542-1400

State of Domicile: Missouri

An affiliated company of: United HealthCare Corporation

Incorporated: March 21, 1986

Admitted to Missouri: December 29, 1986

Federally qualified: N/A

Accredited: N/A

Model type: IPA

### 1995 YEAR-END OFFICERS

President: Thomas Zorumski

Secretary: Brigid M. Spicola

Executive V.P. and Treasurer: David P. Koppe

Other Officers: Steven J. Brash, Leo R. Brown, Thomas Dyson,  
Diane Flottemesch, Matthew L. Friedman, Sheila McMillan  
Margaret E. Hennessey, Seth A. Jacobs, P. Alain McMahon  
Kevin H. Roche, George A. Ryan, Charles L. Sweeris,  
Lisa Tomei, Camille Trunkett, Travers H. Wills

### 1995 MISSOURI ENROLLMENT

Total Missouri member months:

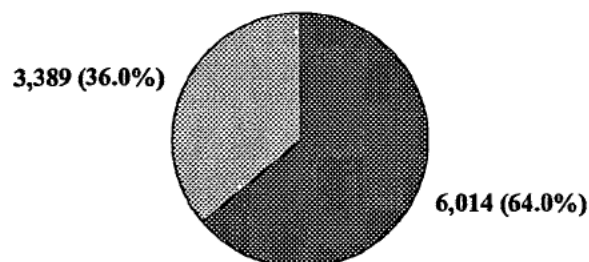
**56,482**

Total Missouri members:

**6,014**

### 1995 TOTAL ENROLLMENT

Non-Missouri enrollment includes Kansas members



■ Missouri Members    ▨ Non-Missouri Members

### 1995 YEAR-END DIRECTORS or TRUSTEES

Kevin J. Burns

James D. Cross M.D.

David P. Koppe

Thomas Zorumski

### SERVICE AREA OPERATIONS DATA

Approximate number of hospitals/clinics contracted with in Missouri:

**50**

Approximate number of contracted primary care physicians (PCP) in Missouri:

**775**

Total number of participating physicians in Kansas and Missouri:

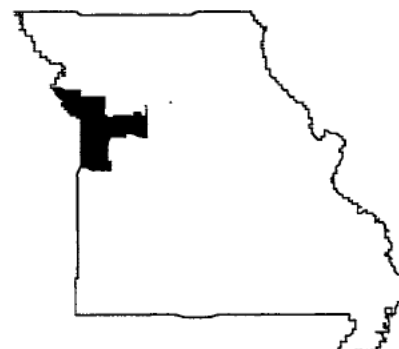
**1,796**

### MISSOURI COUNTIES IN SERVICE AREA

Cass, Clay, Jackson, Lafayette, Platte

### KANSAS COUNTIES IN SERVICE AREA

Johnson, Leavenworth, Wyandotte



# METRAHEALTH CARE PLAN of KANSAS CITY, INC.

## Notes to Financial Statements<sup>1</sup>

---

### 1. Organization and Operations

MetraHealth Care Plan of Kansas City, Inc. (The "Company") was incorporated under the laws of the state of Missouri in 1986 and received its certificate of authority from the state of Missouri to operate as a Health Maintenance Organization ("HMO") in December, 1986 and its certificate of authority from the state of Kansas to operate as an HMO in March, 1987. The Company is a wholly-owned subsidiary of MetraHealth Management Corporation ("MHMC") which is an indirect, wholly-owned subsidiary of The MetraHealth Companies, Inc. ("MetraHealth") which was formed on January 3, 1995 when Metropolitan Life Insurance Company ("MLI") contributed the stock of the Company and other related subsidiaries to a newly formed corporate joint venture. In October, 1995, The MetraHealth Companies, Inc. and its affiliated companies were acquired by United HealthCare Corporation.

### 2. Medical Claims and Capitation

The Company contracts with IPAs, hospitals and other health care providers to provide health care services to its enrollees. The Company pays capitation or negotiated fees for services rendered by these providers. ASO (*Administrative Service Only*) contracts represent self insured arrangements wherein various employers retain all health care service risks, while the Company provides administrative services for a fee. The Company does not reflect payment of ASO claims in its Statement of Revenues and Expenses.

### 3. Related Parties

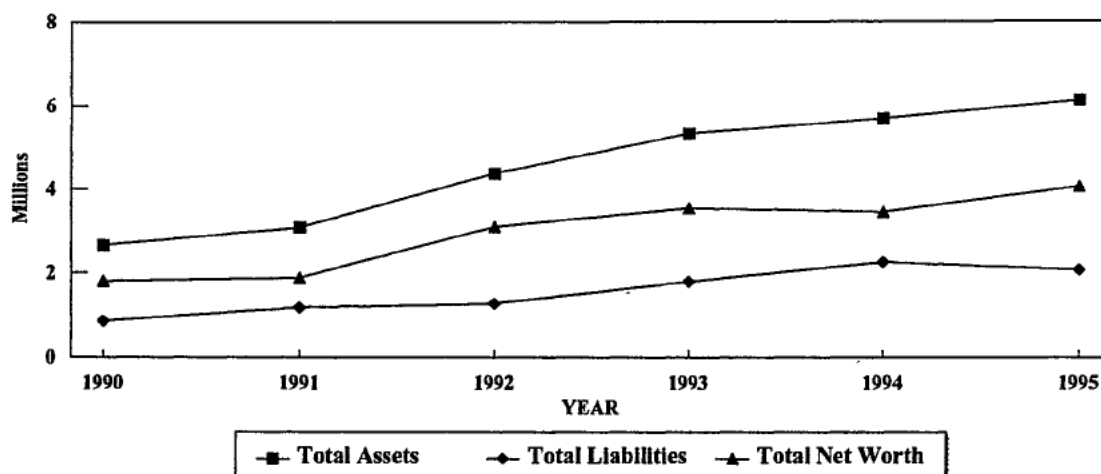
The Company has a management services agreement with MHMC. Under the terms of that agreement, MHMC provides all management, occupancy and administrative services for the Company. For these services, the Company pays MHMC management fees which are classified as general and administrative expenses. MetraHealth, through its various subsidiaries, markets certain employee benefit products, which include HMO benefit options of the Company, and is responsible for billing and collecting premiums for these products. Premiums for certain multi-option products are allocated between the Company and MetraHealth. Such allocations are calculated on an actuarial basis to reflect estimated member utilization of HMO versus indemnity products. The Company purchases stop loss reinsurance coverage from Metropolitan to limit its exposure on member claims.

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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the MetraHealth Care Plan of Kansas City, Inc., and the company's 1995 "Management Discussion and Analysis" supplemental filing. Italicized text indicates unquoted text added for clarification.

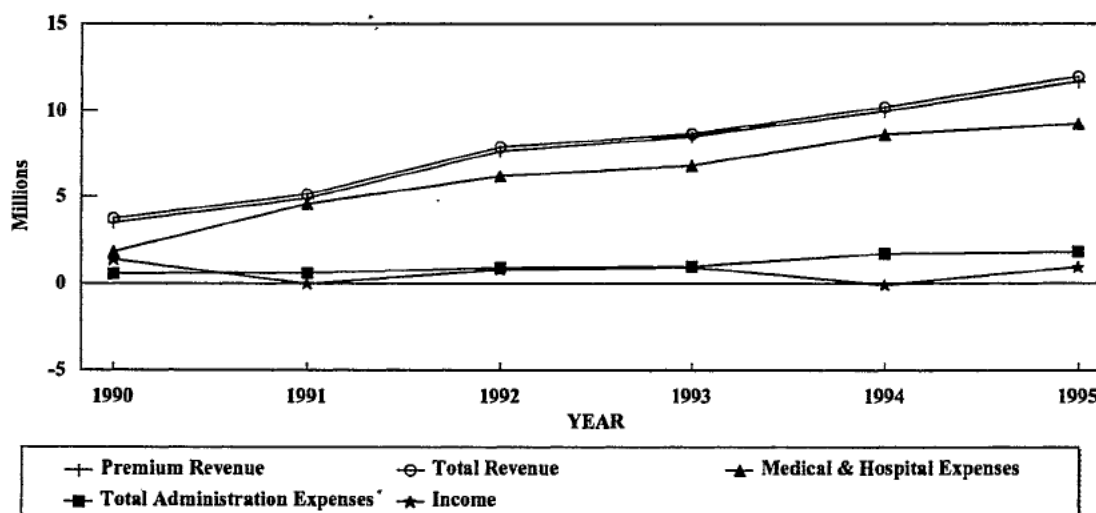
# MetraHealth Care Plan of Kansas City, Inc.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$2,658,160	\$3,073,004	\$4,375,630	\$5,314,412	\$5,683,179	\$6,111,974
Total Liabilities	\$860,120	\$1,189,935	\$1,276,551	\$1,782,203	\$2,241,508	\$2,063,185
Total Net Worth	\$1,798,040	\$1,883,069	\$3,099,079	\$3,532,209	\$3,441,671	\$4,048,789

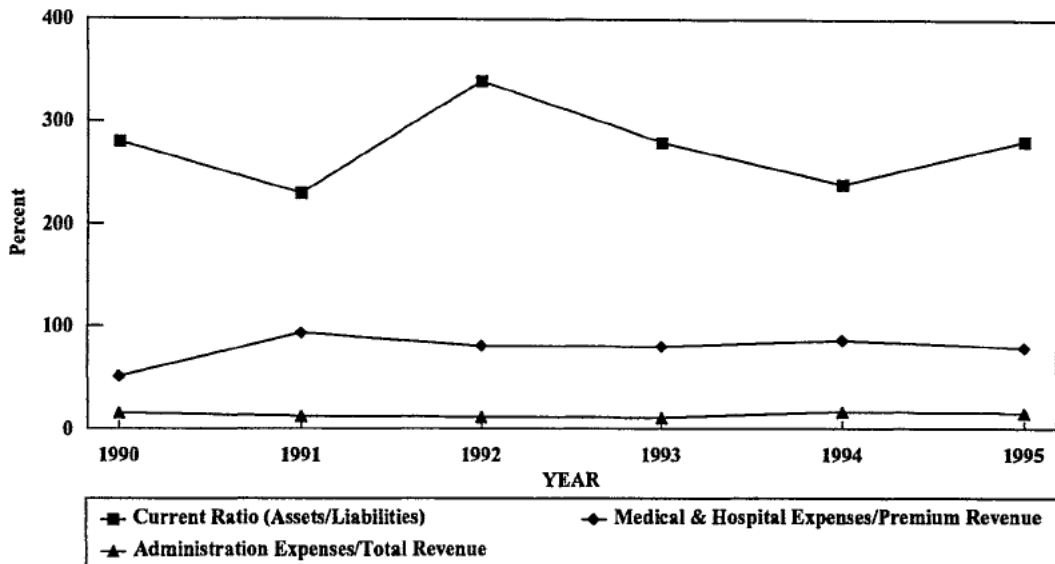
## Income Statement Items



Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$3,501,962	\$4,879,355	\$7,657,278	\$8,480,635	\$9,956,707	\$11,662,965
Total Revenue	\$3,701,951	\$5,097,768	\$7,853,468	\$8,651,222	\$10,189,962	\$11,964,433
Medical & Hospital Expenses	\$1,784,438	\$4,554,685	\$6,190,035	\$6,797,163	\$8,625,341	\$9,239,486
Administration Expenses	\$550,284	\$598,981	\$901,047	\$945,090	\$1,676,817	\$1,805,833
Income	\$1,367,229	(\$55,898)	\$762,386	\$908,969	(\$112,196)	\$919,114

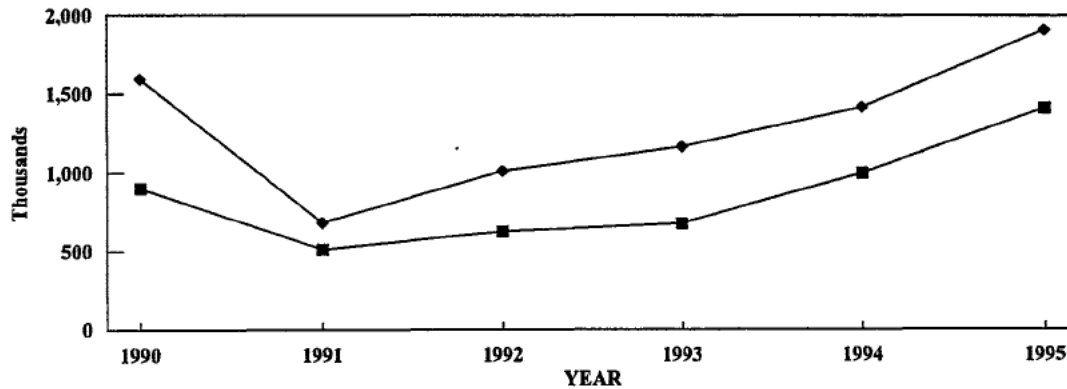
# MetraHealth Care Plan of Kansas City, Inc.

## Formulas



Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	280.0%	230.0%	340.0%	280.0%	239.0%	281.7%
Medical & Hospital Expenses/Premium Revenue	51.0%	93.3%	80.8%	80.1%	86.6%	79.2%
Administration Expenses/Total Revenue	14.9%	11.7%	11.5%	10.9%	16.5%	15.1%

## Unpaid Claims Analysis



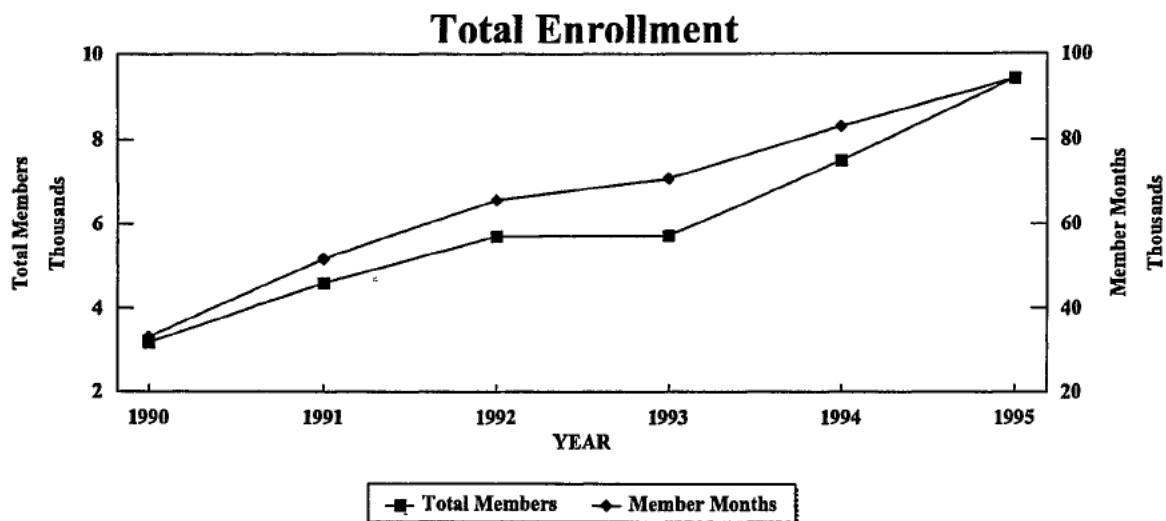
Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$898,657	\$511,448	\$624,301	\$677,151	\$999,235	\$1,410,786
Estimated Liability of Unpaid Claims Previous Year	\$1,595,575	\$680,317	\$1,008,762	\$1,164,074	\$1,418,561	\$1,908,931

Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# MetraHealth Care Plan of Kansas City, Inc.



Item	1990	1991	1992	1993	1994	1995
Total Members	3,188	4,584	5,700	5,717	7,500	9,403
Total Member Months	33,152	51,654	65,791	70,675	82,938	93,961

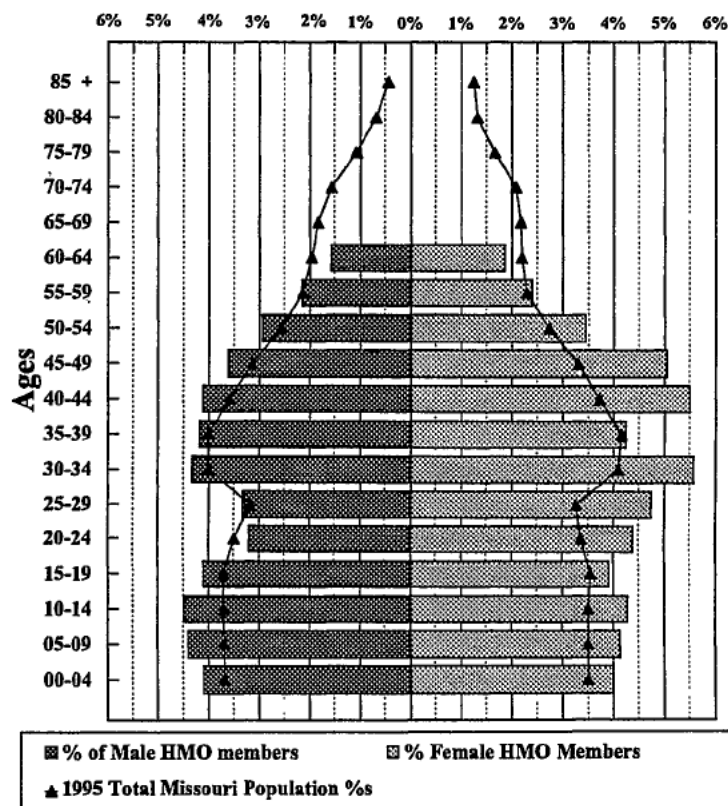
## 1995 Missouri Enrollment Demographics

Note: The following demographic data represents the combined HMO membership of the two MetraHealth HMOs (MetraHealth Care Plan of Kansas City and MetraHealth Care Plan of St. Louis) active in Missouri at year end 1995. Approximately 16% of the totals shown were enrollees of MetraHealth Care Plan of Kansas City, Inc. In March of 1996, MetraHealth Care Plan of St. Louis was purchased by Principal Mutual Life Insurance Company and renamed Principal Health Care of St. Louis.

Average Age of Enrollees = 30.9

Percentage of Female Enrollees = 53.5%

Males	Females	Totals
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
608	709	1,317
825	920	1,745
1,131	1,321	2,452
1,386	1,930	3,316
1,583	2,108	3,691
1,606	1,626	3,232
1,657	2,138	3,795
1,277	1,819	3,096
1,230	1,679	2,909
1,577	1,502	3,079
1,721	1,641	3,362
1,687	1,582	3,269
1,573	1,533	3,106
17,861	20,508	38,369



# Physicians Health Plan of Greater St. Louis, Inc.

## Physicians Health Plan of Greater St. Louis, Inc.

77 West Port Plaza, Suite 500

St. Louis, MO 63146

800/535-9291 or 314/275-7000

State of Domicile: Missouri

An affiliated company of: United HealthCare Corporation

Incorporated: June 10, 1985

Admitted to Missouri: February 20, 1986

Federally qualified: June 17, 1986

Accredited: N/A

Model type: IPA

### 1995 YEAR-END OFFICERS

President: Thomas Zorumski

Acting Secretary: Brigid M. Spicola

Acting Treasurer: David P. Koppe

Other Officers: Philip Paul Mainquist

### 1995 YEAR-END DIRECTORS

David M. Keefe M.D., Leroy F. Ortmeyer M.D.,

Jeffery I. Schulman M.D., R. Jerome Williams Sr. M.D.

### SERVICE AREA OPERATIONS DATA

Approximate number of contracted hospitals & clinics in Illinois and Missouri:

107

Approximate number of contracted primary care physicians (PCPs) in MO:

420

Total number of participating physicians:

4,250

### 1995 MISSOURI ENROLLMENT

Total Missouri member months:

1,971,860

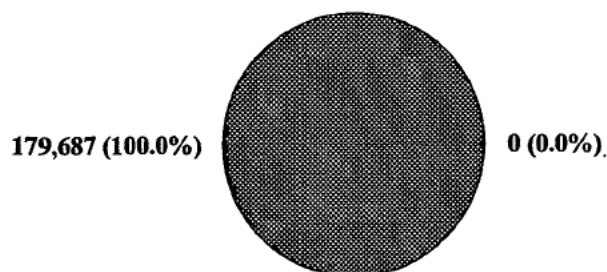
Missouri members:

179,687

### MISSOURI COUNTIES IN SERVICE AREA

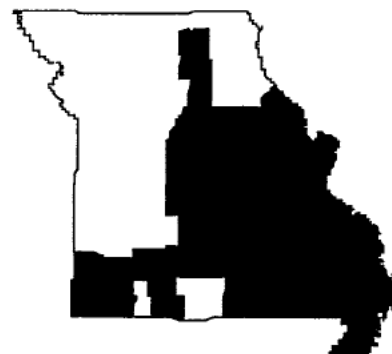
Adair, Audrain, Barry, Bollinger, Boone, Butler, Callaway, Camden, Cape Girardeau (POS only), Carter, Christian, Cole, Cooper, Crawford, Dent, Dunklin, Franklin, Gasconade, Greene, Howard, Howell, Iron, Jasper, Jefferson, Laclede, Lawrence, Lincoln, McDonald, Macon, Madison, Maries, Miller, Mississippi, Moniteau, Montgomery, Morgan, New Madrid, Newton, Oregon, Osage, Pemiscot, Perry, Phelps, Pike, Pulaski, Randolph, Reynolds, Ripley, St. Charles, St. Francois, Ste. Genevieve, St. Louis, St. Louis City, Scott, Shannon, Stoddard, Taney, Texas, Warren, Washington, Wayne, Webster, Wright

### 1995 TOTAL ENROLLMENT



■ Missouri Members

■ Non-Missouri Members





# PHYSICIANS HEALTH PLAN of GREATER ST. LOUIS, INC.

## Management's Discussion & Analysis<sup>1</sup>

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### 1. Overview

Physicians Health Plan of Greater St. Louis, Inc. (the Company), a for-profit health maintenance organization, offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company has entered into contracts with physicians, hospitals and other health care providers pursuant to which such providers deliver medical care to its enrollees on a modified fee-for-service or capitated basis. *The Company is a wholly owned subsidiary of Midwest Physicians Health Programs, Inc., a substantially wholly owned subsidiary of United HealthCare Services Company, Inc., an HMO management corporation which provides services to the Company under terms of a management agreement. United HealthCare Services, Inc. (formerly United Management Company) is a wholly owned subsidiary of United HealthCare Corporation.*

### 2. Results of Operations

Membership grew from a base of 127,942 at year end 1994 to 179,687 members at December 31, 1995, a 40% increase. The growth was attributable to an increase 44,887 members in commercial groups and 6,858 members in the Medicare Risk membership. Revenue increased by nearly \$78 million from 1994 to 1995. This increase was mostly due to the 40% growth in membership. Another factor causing the increase was the addition of 7,000 Medicare members in 1995 at over \$370 per member per month. Commercial premium yields actually decreased slightly in 1995 due to benefit changes and the competitive environment. The medical loss ratio in 1995 was 83% which represents a slight increase over 1994. Commercial medical costs, on a per member per month basis, were flat (0% trend) in comparison to 1994. Commercial hospital inpatient days per thousand decreased by 9% in 1995. Administrative costs, on a per member per month basis, are consistent with the prior year.

### 3. Financial Position

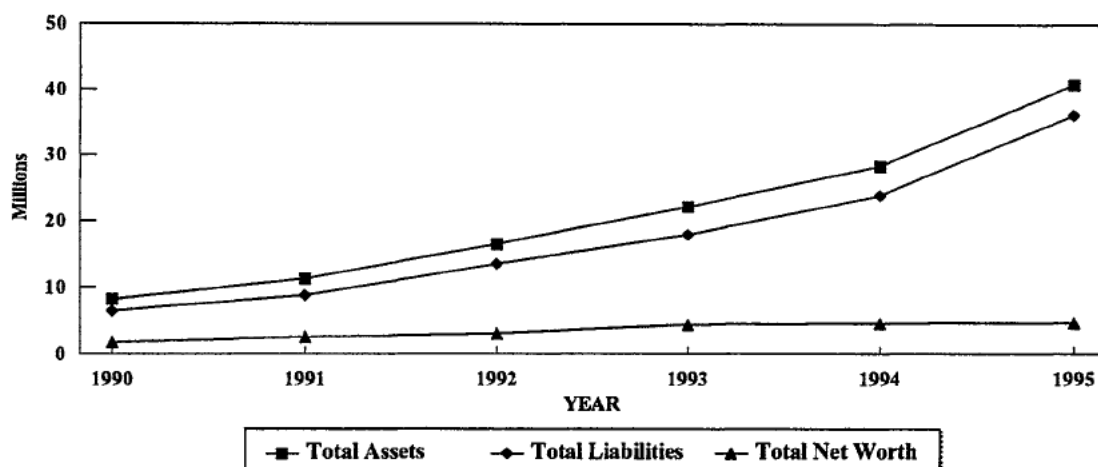
At December 31, 1995, the Company had assets totaling \$40,926,000 which represented a 44% increase over 1994. Fifty percent of this year end balance is invested in long-term assets such as State mandated minimum cash reserves and long-term investments. Increased liabilities were primarily a result of increased claims payable which was a result of the Company's growing membership. The other major increases occurred in the accrued medical incentive pool and unearned premiums. The increase in the accrued medical incentive pool was a result of increased incentives accruals for primary care physicians on the commercial fee-for-service product and the capitated Medicare product.

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<sup>1</sup>Excerpts quoted from Physicians Health Plan of Greater St. Louis, Inc.'s 1995 Management's Discussion and Analysis supplemental filing. Italicized text indicates unquoted text added for clarification.

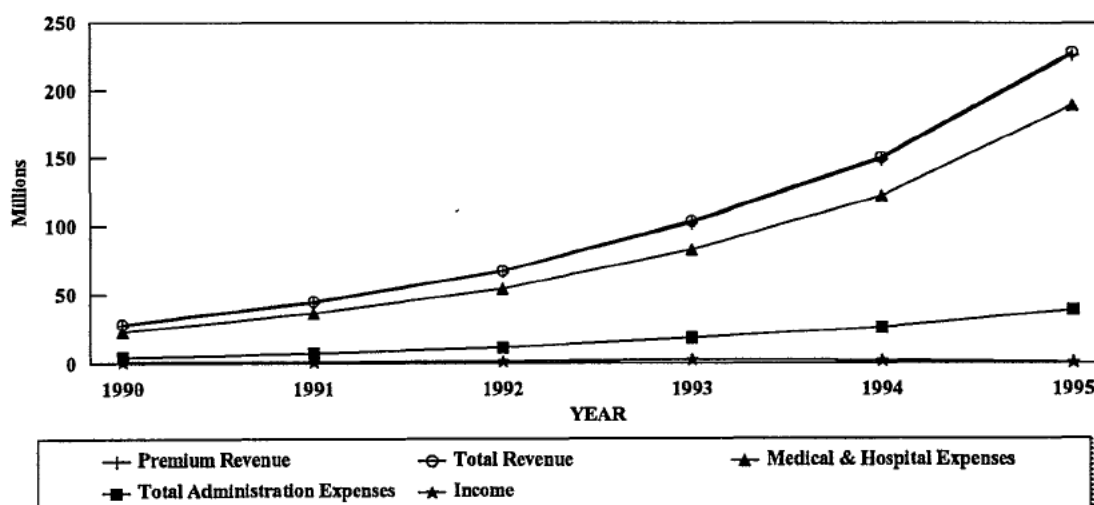
# Physicians Health Plan of Greater St.Louis, Inc.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$8,115,102	\$11,213,238	\$16,409,564	\$22,206,069	\$28,441,948	\$40,926,340
Total Liabilities	\$6,344,665	\$8,665,763	\$13,441,427	\$17,878,980	\$23,913,379	\$36,320,254
Total Net Worth	\$1,770,437	\$2,547,475	\$2,968,137	\$4,327,089	\$4,528,569	\$4,606,086

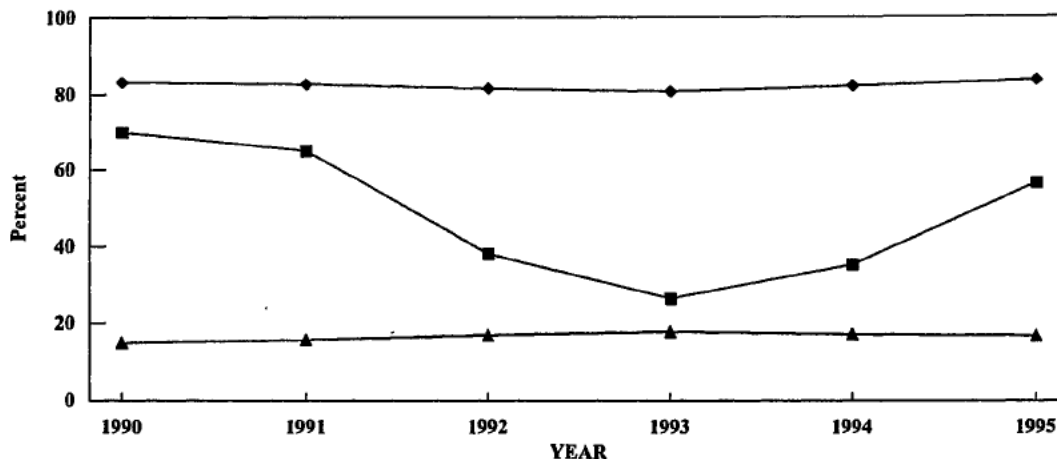
## Income Statement Items



Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$27,595,240	\$43,903,391	\$66,524,508	\$102,528,867	\$149,140,613	\$226,413,962
Total Revenue	\$28,089,453	\$44,479,172	\$67,218,806	\$103,646,914	\$150,553,421	\$228,387,613
Medical & Hospital Expenses	\$22,960,795	\$36,319,405	\$54,264,464	\$82,710,224	\$122,271,765	\$189,075,085
Administration Expenses	\$4,219,157	\$7,088,850	\$11,441,577	\$18,482,409	\$26,062,969	\$38,553,521
Income	\$909,501	\$1,070,917	\$1,512,765	\$2,454,281	\$2,218,687	\$759,007

# Physicians Health Plan of Greater St.Louis, Inc.

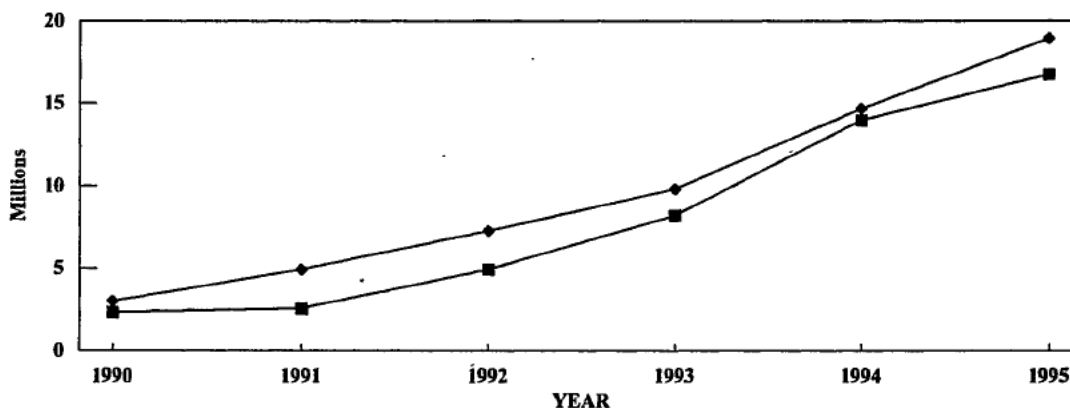
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	70.0%	65.0%	38.0%	26.3%	35.2%	56.4%
Medical & Hospital Expenses/Premium Revenue	83.2%	82.7%	81.6%	80.7%	82.0%	83.5%
Administration Expenses/Total Revenue	15.0%	15.9%	17.0%	17.8%	17.3%	16.9%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$2,347,474	\$2,587,917	\$4,953,908	\$8,197,703	\$13,922,746	\$16,741,717
Estimated Liability of Unpaid Claims Previous Year	\$3,003,471	\$4,942,376	\$7,253,043	\$9,806,174	\$14,632,201	\$18,921,442

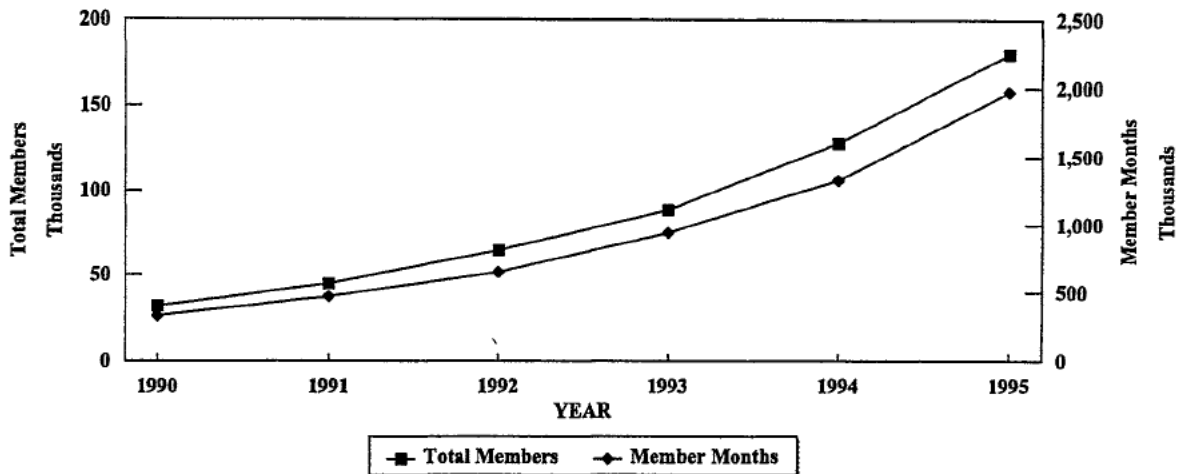
Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# Physicians Health Plan of Greater St.Louis, Inc.

## Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	31,899	45,007	64,733	88,808	127,942	179,687
Total Member Months	328,680	466,014	647,048	938,633	1,326,146	1,971,860

## 1995 Enrollment Demographics

Approximately 5% of the following member counts are Medicare enrollees.

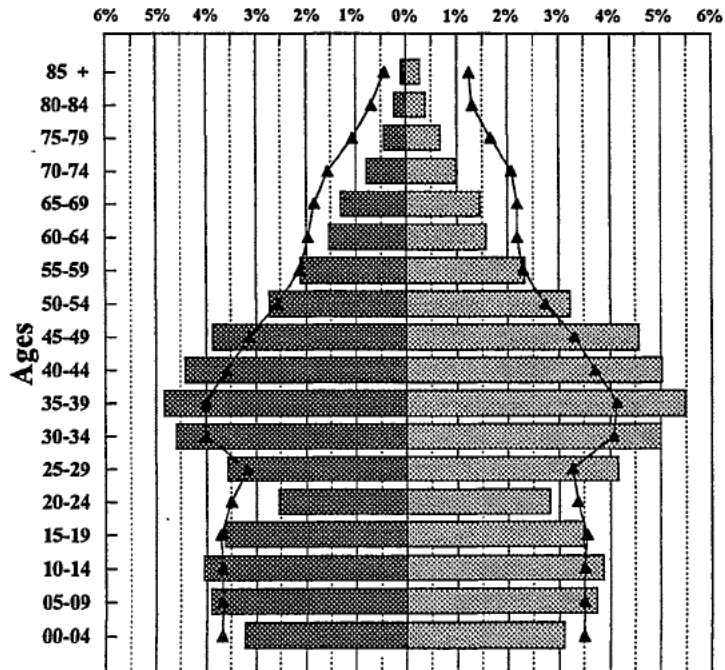
### Average Age of Enrollees

Commercial Members = 31.8  
 Medicare Members = 72.5  
 Total Members = 33.8

Males	Females	Totals
189	488	677
422	665	1,087
801	1,196	1,997
1,405	1,743	3,148
2,334	2,589	4,923
2,751	2,808	5,559
3,777	4,154	7,931
4,877	5,743	10,620
6,905	8,166	15,071
7,887	8,978	16,865
8,644	9,794	18,438
8,209	8,922	17,131
6,379	7,437	13,816
4,549	5,052	9,601
6,478	6,227	12,705
7,242	6,907	14,149
6,986	6,683	13,669
5,762	5,529	11,291
85,597	93,081	178,678

### Percentage of Female Enrollees

Commercial Members = 51.8%  
 Medicare Members = 58.5%  
 Total Members = 52.1%



■ % of Male HMO members    ■ % Female HMO Members  
 ▲ 1995 Total Missouri Population %

# Principal Health Care of Kansas City, Inc.

**Principal Health Care of Kansas City, Inc.,**  
 101 East 101st Terrace, Suite 300  
 Kansas City, 64131  
 800/969-3343 or 816/931-8250  
 State of Domicile: Missouri

An affiliated company of: Principal Mutual Life Insurance Company

Incorporated: November 10, 1987  
 Admitted to Missouri: June 9, 1988  
 Federally qualified: N/A  
 Accredited: NCQA - One Year (reviewed 10/95)  
 Model type: IPA

## 1995 YEAR-END OFFICERS

President: Kenneth J. Linde  
 Secretary: Robert J. Mrizek  
 Chief Financial Officer: David W. Goltz  
 Other Officers: David L. Weiss, Sharon I. Taylor, Jerry G. Wisgerhof,  
 Steven C. Whitty, Bruno A. Littleton, Michael J. Burgoyne,  
 Adrian Walling M.D., Mary L. Bricker, Joyce N. Hoffinan,  
 Janet M. Stallmeyer, Robert M. Lewandowski, Robert Finuf II,  
 Frank J. DiTorro M.D., Charles C. Wilhelm M.D., Gregory Boles

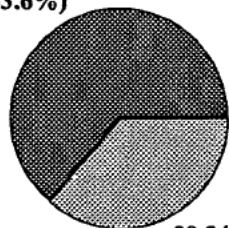
## 1995 MISSOURI ENROLLMENT

Total Missouri member months for the year:  
**574,196**  
 Missouri members at end of year:  
**51,090**

## 1995 TOTAL ENROLLMENT

Non-Missouri enrollment includes Kansas members

51,090 (63.6%)



29,249 (36.4%)

■ Missouri Members

■ Non-Missouri Members

## 1995 YEAR-END DIRECTORS

Barbara Crawford Buenemann,  
 Kevin J. Burns,  
 James D. Cross M.D., Gail B. Marcus

## SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Kansas and Missouri:  
**35**  
 Approximate number of primary care physicians (PCP) in KS/MO:  
**520**  
 Total number of participating physicians in Kansas and Missouri:  
**6,232**

## MISSOURI COUNTIES IN SERVICE AREA

Boone, Buchanan, Callaway, Camden, Cass, Clay, Clinton, Cole, Cooper, Dekalb, Franklin,  
 Gasconade, Henry, Jackson, Jefferson, Johnson, Lafayette, Madison, Maries, Miller,  
 Moniteau, Montgomery, Morgan, Osage, Platte, Ray, Randolph, St. Charles, St. Francois,  
 Ste. Genevieve, St. Louis, St. Louis City, Warren

## KANSAS COUNTIES IN SERVICE AREA

Butler, Cowley, Douglas, Franklin, Harvey, Jackson, Jefferson, Johnson, Leavenworth,  
 Marion, Miami, Sedgwick, Shawnee, Sumner, Wyandotte



# PRINCIPAL HEALTH CARE of KANSAS CITY, INC.

## Notes to Financial Statements Management's Discussion & Analysis<sup>1</sup>

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### 1. Organization

Principal Health Care Plan of Kansas City, Inc. (the "Company") is a managed care organization that was incorporated in the State of Missouri on November 10, 1987 and was granted a certificate of authority to operate as a health maintenance organization (HMO) in Missouri and Kansas on June 10, 1988 and August 1, 1988, respectively. The Company is a wholly owned subsidiary of Principal Health Care, Inc. (Parent), a wholly owned subsidiary of Principal Holding Company (Principal), formerly Principal Financial Group, Inc., which is wholly owned by Principal Mutual Life Insurance Company (Principal Mutual). On December 1, 1994, the Company exchanged substantially all of its assets and liabilities with CIGNA Health Care of Kansas/Missouri, Inc. (CIGNA). This exchange involved the transfer of the assets and liabilities of solely the Wichita business of CIGNA for the assets and liabilities of the entire business of Principal Health Care of Ohio, Inc. Effective March 1995 Principal Health Care of Ohio, Inc., and Principal Health Care of Kansas City, Inc. merged.

### 2. Results of Operations

In 1995, the plan produces a net loss of (\$1,497,349) as compared to a net income of \$485,477 in 1994. Lower premium revenues were the primary cause contributing to the 1995 loss. The St. Louis market areas' premium revenues decreased \$17 per member and the Kansas City's market area's premium revenues decreased \$6.51 per member from the previous year. Under an Administrative Services Only (ASO) contract, the Company provides administrative and claims processing services to a self-insured group. The self-insured group retains liability for claims and reimburses the Company. Accordingly the Company does not reflect payment of these claims and receipts of the reimbursements in the financial statements.

### 3. Related Parties

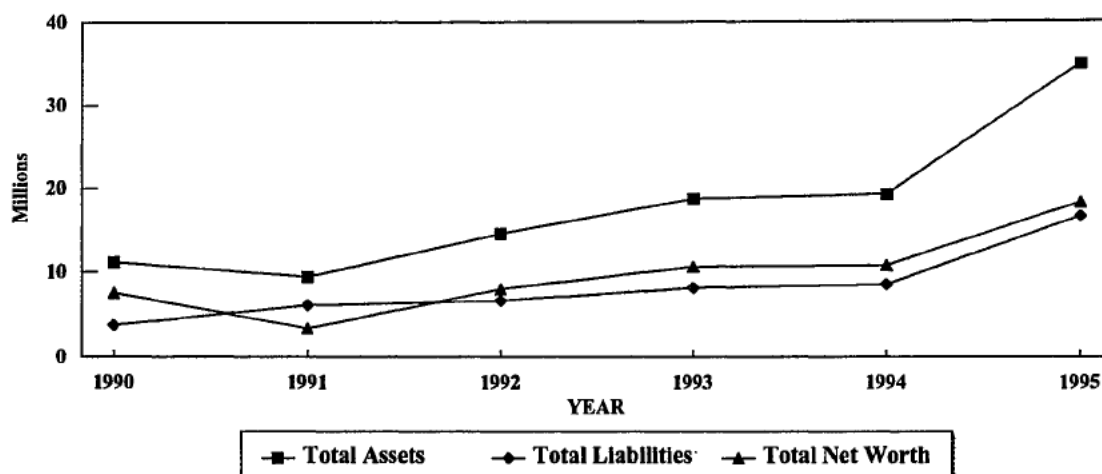
The Parent provides management, consulting, and administrative services to the Company. The management fee is based on monthly membership. The Company and Principal Mutual entered into an agreement whereby both agreed to provide medical benefits to employees and dependents of employer groups electing the Triple Option Plan. Principal Mutual reimburses the Company for claims and capitation expenses and pays an administrative fee to the Company for Triple Option members who have selected the HMO plan. In December 1995, the Company acquired the MetraHealth Care Plan of St. Louis, Inc., a 32,000 member HMO, licensed in Missouri and Illinois. MetraHealth serves the St. Louis metropolitan area.

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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the Principal Health Care of Kansas City, Inc., (the Company) and the Company's 1995 "Management's Discussion and Analysis" supplemental filing.

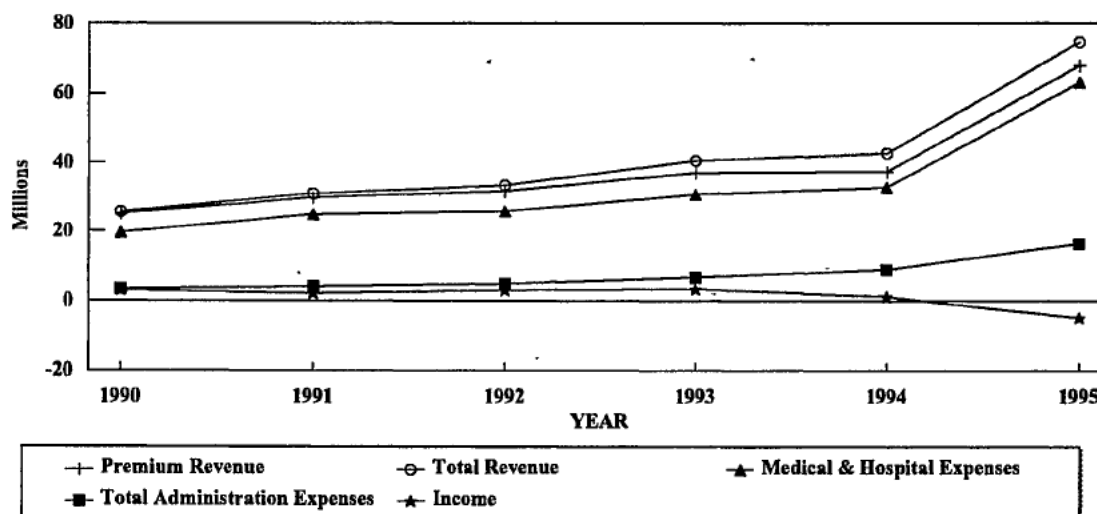
# Principal Health Care of Kansas City, Inc.

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$11,148,673	\$9,395,343	\$14,579,817	\$18,713,055	\$19,272,831	\$34,877,131
Total Liabilities	\$3,663,140	\$6,051,076	\$6,600,819	\$8,125,348	\$8,473,645	\$16,626,419
Total Net Worth	\$7,485,533	\$3,344,267	\$7,978,998	\$10,587,707	\$10,799,186	\$18,250,712

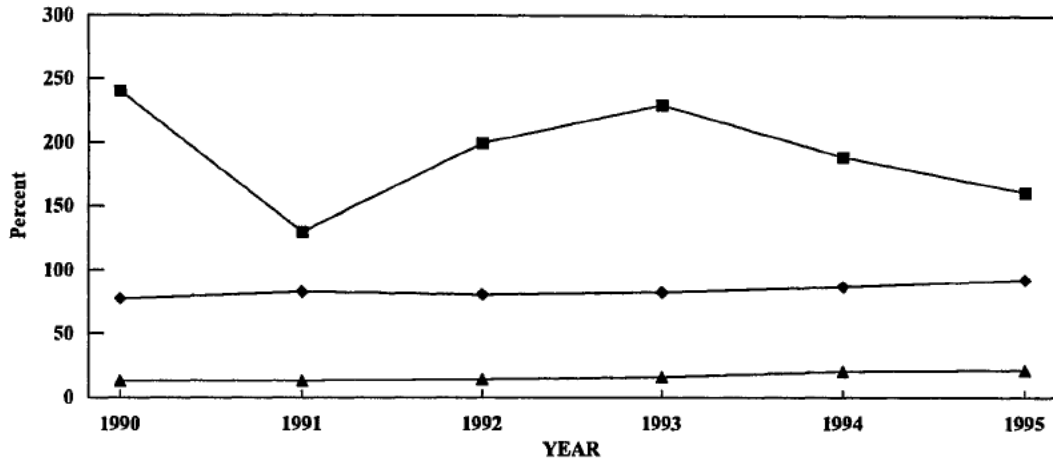
## Income Statement Items



Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$24,995,654	\$29,912,015	\$31,662,619	\$36,964,283	\$37,326,492	\$67,925,084
Total Revenue	\$25,673,772	\$30,984,535	\$33,345,819	\$40,507,111	\$42,749,840	\$74,480,124
Medical & Hospital Expenses	\$19,438,834	\$24,917,745	\$25,751,953	\$30,681,755	\$32,685,406	\$63,118,911
Administration Expenses	\$3,361,460	\$4,031,702	\$4,714,351	\$6,588,940	\$8,930,320	\$16,342,055
Income	\$2,873,478	\$2,035,088	\$2,879,515	\$3,236,416	\$1,134,114	(\$4,980,842)

# Principal Health Care of Kansas City, Inc.

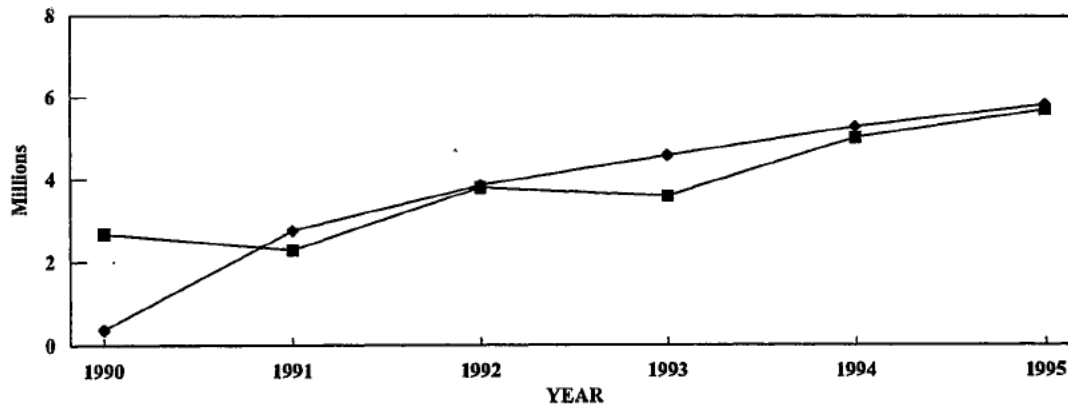
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	240.0%	130.0%	200.0%	230.0%	190.0%	162.2%
Medical & Hospital Expenses/Premium Revenue	77.8%	83.3%	81.3%	-238.4%	87.6%	92.9%
Administration Expenses/Total Revenue	13.1%	13.0%	14.1%	6548.2%	20.9%	21.9%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	N/A	N/A	N/A	\$3,613,549	\$5,027,631	\$5,711,266
Estimated Liability of Unpaid Claims Previous Year	\$352,000	\$2,756,432	\$3,869,168	\$4,596,769	\$5,297,526	\$5,835,800

Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

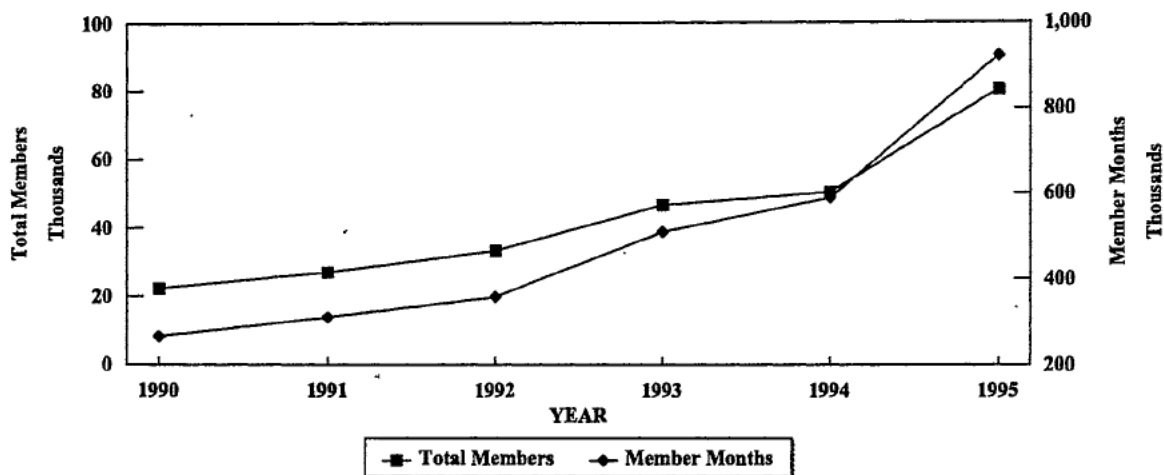
The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.



# Principal Health Care of Kansas City, Inc.

Note: The first chart and table includes Principal's HMO and ASO enrollment. The second chart and table only includes HMO members, either residing in Kansas or Missouri.

## Total Enrollment



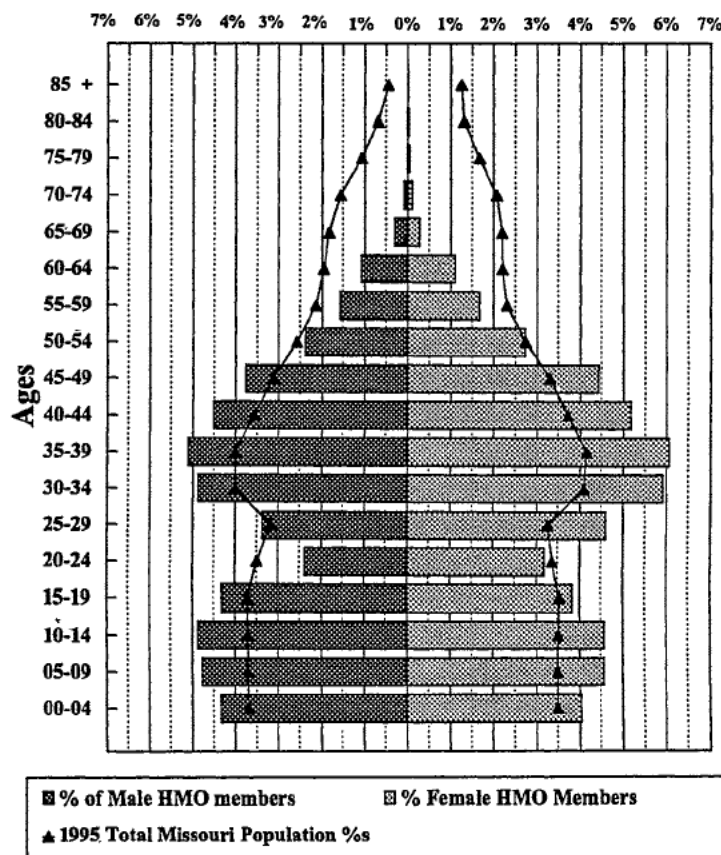
Item	1990	1991	1992	1993	1994	1995
Total Members	22,215	26,971	33,226	46,606	50,226	80,339
Total Member Months	265,889	310,594	358,207	508,776	588,891	921,860

## 1995 Enrollment Demographics

Average Age of Enrollees = 29.2

Percentage of Female Enrollees = 52.3%

Males	Females	Totals
5	6	11
6	13	19
11	21	32
50	59	109
162	149	311
588	604	1,192
861	911	1,772
1,297	1,483	2,780
2,059	2,410	4,469
2,461	2,819	5,280
2,786	3,307	6,093
2,660	3,227	5,887
1,844	2,508	4,352
1,302	1,740	3,042
2,356	2,095	4,451
2,658	2,491	5,149
2,605	2,492	5,097
2,363	2,206	4,569
26,074	28,541	54,615



# Principal Health Care of St. Louis, Inc.

**Principal Health Care of St. Louis, Inc.,  
(formerly MetraHealth Care Plan of St. Louis, Inc.)**

25 Charles Street, 14 NB

Hartford, CT 06183

314/542-1400

State of Domicile: Delaware

An affiliated company of: Principal Mutual Life Insurance Company

Incorporated: August 8, 1985

Admitted to Missouri: July 31, 1986

Federally qualified: N/A

Accredited: NCQA - One Year (reviewed 10/95)

Model type: IPA

## 1995 YEAR-END OFFICERS

President: Barbara Crawford Buenemann

Secretary: James M. Michener

Treasurer: Gail B. Marcus

Other Officers: Steven J. Brash, Leo R. Brown, Thomas Dyson,

Matthew L. Friedman, Margaret E. Hennessey, Seth A. Jacobs,

P. Alain McMahon, Sheila McMillan, George A. Ryan,

Charles L. Sweeris, Lisa Tomei, Camille Trunkett

## 1995 YEAR-END DIRECTORS

Barbara Crawford Buenemann,

Kevin J. Burns,

James D. Cross M.D., Gail B. Marcus

## SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Missouri:

**21**

Approximate number of primary care physicians (PCP) in Missouri:

**520**

Total number of participating physicians in Illinois and Missouri:

**2,560**

## 1995 MISSOURI ENROLLMENT

Total Missouri member months for the year:

**368,087**

Missouri members at end of year:

**32,027**

## 1995 TOTAL ENROLLMENT

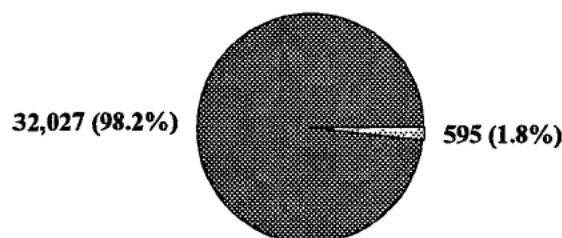
Non-Missouri enrollment includes Illinois members

## MISSOURI COUNTIES IN SERVICE AREA

Franklin, Jefferson, St. Charles, St. Louis, St. Louis City

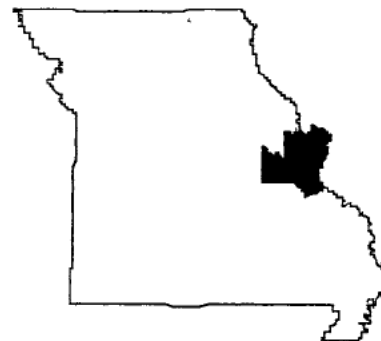
## ILLINOIS COUNTIES IN SERVICE AREA

Cliton, Jersey, Macoupin, Madison, Monroe, St. Clair



■ Missouri Members

■ Non-Missouri Members



# **PRINCIPAL HEALTH CARE of ST. LOUIS, INC.** **(formerly “MetraHealth Care Plan of St. Louis, Inc.”)**

## **Notes to Financial Statements** **Management’s Discussion & Analysis<sup>1</sup>**

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### **1. Organization**

MetraHealth Care Plan of St. Louis, Inc. (the “Company”) was incorporated under the laws of the state of Delaware in 1985 and received its certificate of authority from the state of Missouri to operate as a HMO in July, 1987. The Company is a wholly-owned subsidiary of MetraHealth Care Management Corporation (“MHMC”) which is an indirect, wholly-owned subsidiary of The MetraHealth Companies, Inc. (“MetraHealth”). In October, 1995, MetraHealth, and its affiliated companies were acquired by United HealthCare Corporation (“UHC”). In connection with the acquisition of MetraHealth by UHC, UHC agreed to divest itself of the Company. The sale of the Company was effective March 1, 1996 to Principal Health Care, Inc. *The Company was renamed to Principal Health Care of St. Louis, Inc.*

### **2. Medical Claims / Capitation**

The Company contracts with IPAs, hospitals and other health care providers to provide health care services to its enrollees. The Company pays capitation or negotiated fees for services rendered by these providers. ASO (*Administrative Service Only*) contracts represent self insured arrangements wherein various employers retain all health care service risks, while the Company provides administrative services for a fee. The Company does not reflect payment of ASO claims in its Statement of Revenues and Expenses.

### **3. Results of Operations**

The Company’s net income for the year ended December 31, 1995 was \$6,711,481 or \$17.90 PMPM. These results compare to net income for the year ended December 31, 1994 of \$2,476,918 or \$7.22 PMPM. The Company realized an increase of approximately 31,887 member months from the prior year. The Company’s net income for 1995 was impacted by a reduction in the accrued liability for the potential premium refunds in regard to the Company’s participation in the Federal Employee Health Benefits Program.

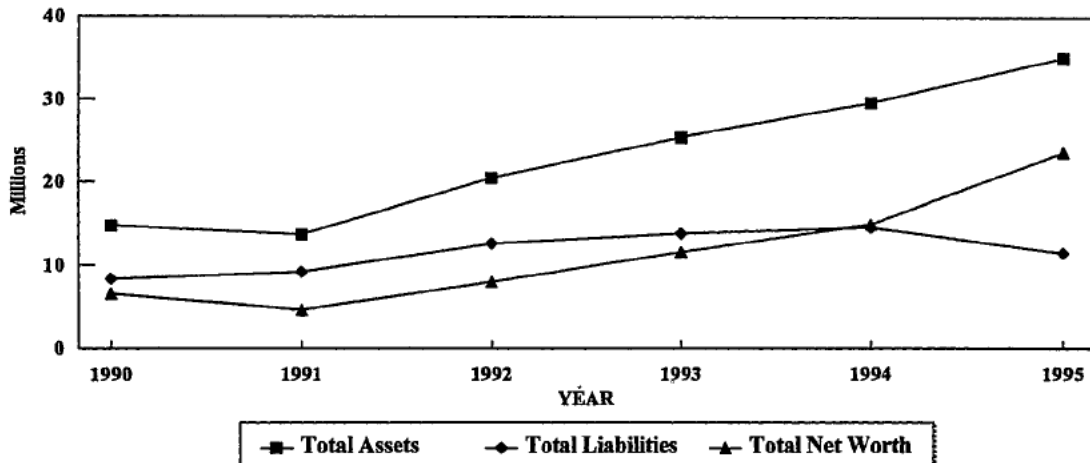
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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the MetraHealth Care Plan of St. Louis, Inc., subsequently renamed “Principal Health Care of St. Louis, Inc.” and the company’s 1995 Management’s Discussion and Analysis supplemental filing.

# Principal Health Care of St. Louis, Inc.

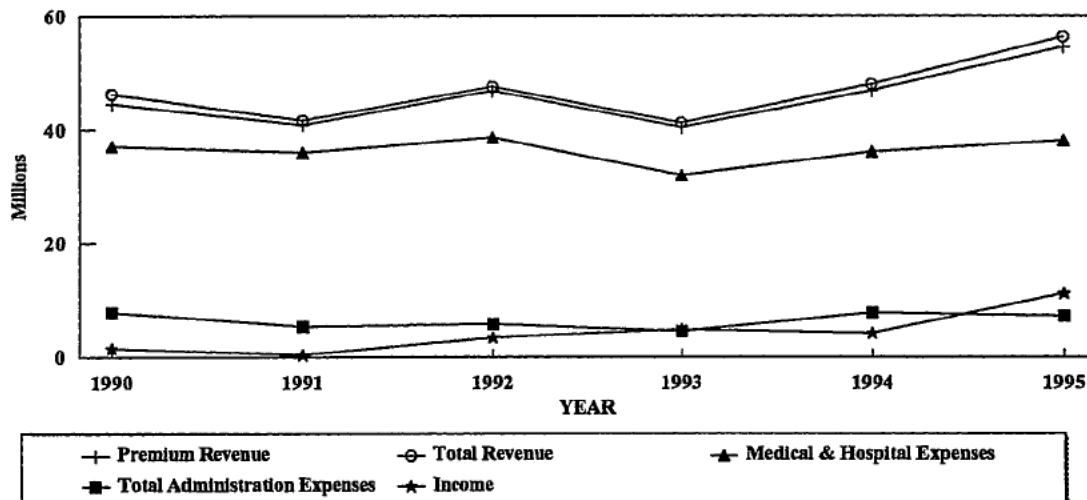
(formerly MetraHealth Care Plan of St. Louis, Inc.)

## Balance Sheet Items



Item	1990	1991	1992	1993	1994	1995
Total Assets	\$14,744,415	\$13,668,433	\$20,469,261	\$25,402,827	\$29,656,167	\$35,136,409
Total Liabilities	\$8,250,862	\$9,099,915	\$12,614,461	\$13,835,190	\$14,637,458	\$11,491,706
Total Net Worth	\$6,493,553	\$4,568,518	\$7,854,800	\$11,567,637	\$15,018,709	\$23,644,703

## Income Statement Items

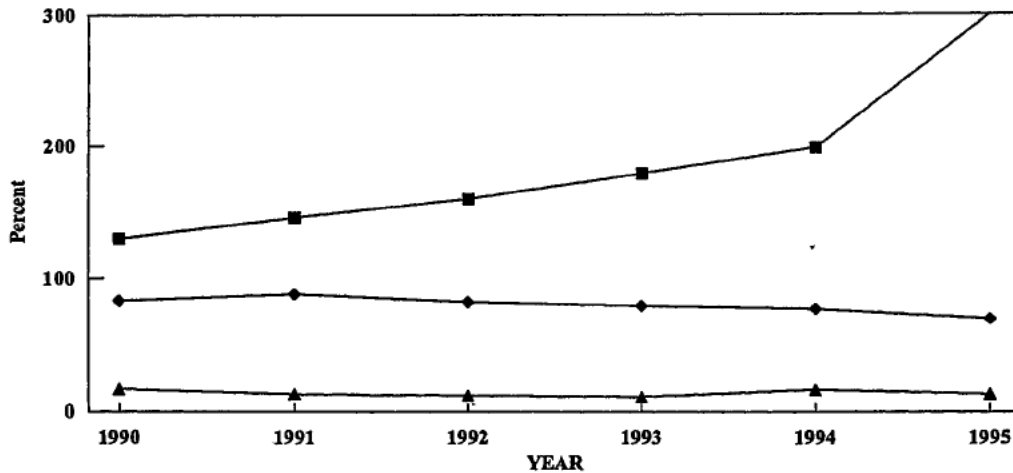


Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$44,491,188	\$40,850,826	\$46,718,756	\$40,341,381	\$46,737,292	\$54,563,360
Total Revenue	\$46,198,653	\$41,582,332	\$47,493,203	\$41,102,970	\$47,913,942	\$56,289,655
Medical & Hospital Expenses	\$37,040,847	\$36,004,868	\$38,480,783	\$31,914,545	\$36,047,318	\$38,031,712
Administration Expenses	\$7,727,817	\$5,260,004	\$5,737,377	\$4,432,819	\$7,760,330	\$7,165,112
Income	\$1,429,989	\$317,460	\$3,275,043	\$4,755,606	\$4,106,294	\$11,092,831

# Principal Health Care of St. Louis, Inc.

(formerly MetraHealth Care Plan of St. Louis, Inc.)

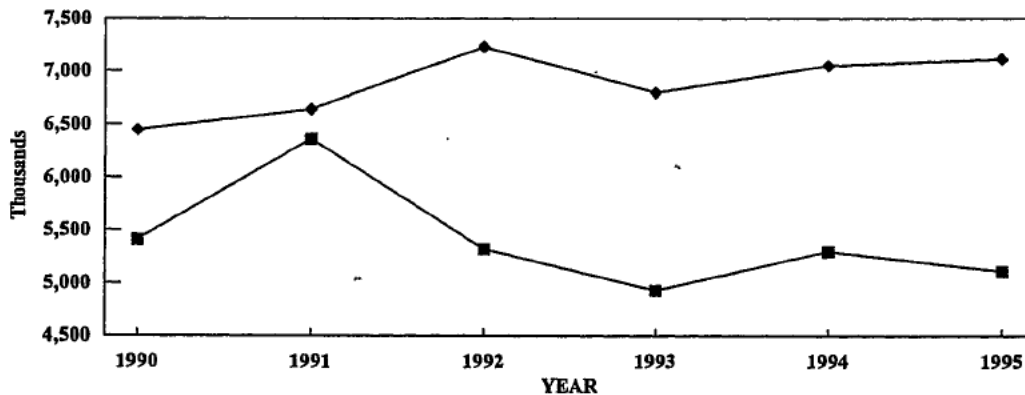
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	130.0%	146.0%	160.0%	178.9%	198.2%	300.3%
Medical & Hospital Expenses/Premium Revenue	83.3%	88.1%	82.4%	79.1%	77.1%	69.7%
Administration Expenses/Total Revenue	16.7%	12.6%	12.1%	10.8%	16.2%	12.7%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$5,410,857	\$6,361,074	\$5,320,198	\$4,927,876	\$5,295,472	\$5,112,126
Estimated Liability of Unpaid Claims Previous Year	\$6,444,744	\$6,636,200	\$7,227,382	\$6,796,909	\$7,047,736	\$7,111,048

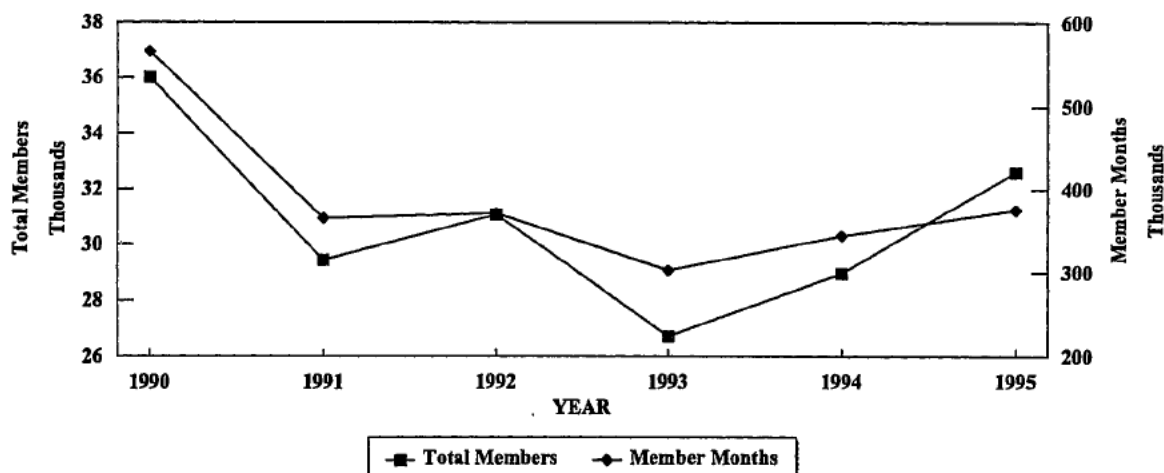
Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# Principal Health Care of St. Louis, Inc. (formerly MetraHealth Care Plan of St. Louis, Inc.)

## Total Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	36,000	29,430	31,092	26,710	28,940	32,622
Total Member Months	565,328	364,718	371,140	302,390	343,140	375,027

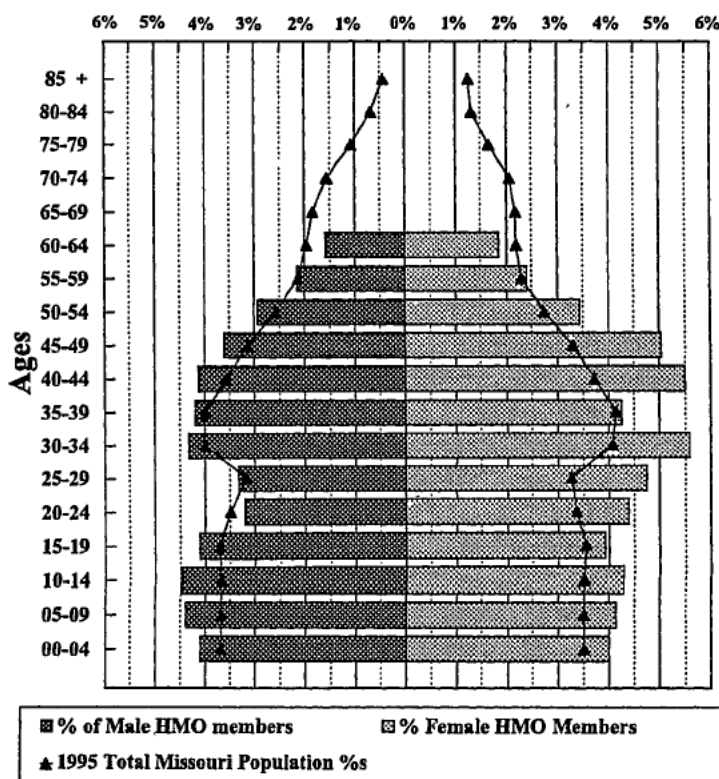
## 1995 Missouri Enrollment Demographics

Note: The following demographic data represents the combined HMO membership of the two MetraHealth HMOs (MetraHealth Care Plan of Kansas City and MetraHealth Care Plan of St. Louis) active in Missouri at year end 1995. Approximately 84% of the totals shown were enrollees of MetraHealth Care Plan of St. Louis, Inc. In March of 1996, MetraHealth Care Plan of St. Louis was purchased by Principal Mutual Life Insurance Company and renamed Principal Health Care of St. Louis, Inc.

**Average Age of Enrollees = 30.9**

**Percentage of Female Enrollees = 53.5%**

Males	Females	Totals
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
608	709	1,317
825	920	1,745
1,131	1,321	2,452
1,386	1,930	3,316
1,583	2,108	3,691
1,606	1,626	3,232
1,657	2,138	3,795
1,277	1,819	3,096
1,230	1,679	2,909
1,577	1,502	3,079
1,721	1,641	3,362
1,687	1,582	3,269
1,573	1,533	3,106
17,861	20,508	38,369



# Prudential Health Care Plan, Inc., d/b/a PruCare

**Prudential Health Care Plan, Inc., d/b/a PruCare**  
 12312 Olive Boulevard, Suite 500  
 St. Louis, MO 63141  
 314/542-4500 or 314/567-1100  
 State of Domicile: Texas  
 An affiliated company of: The Prudential Insurance Company of America

Incorporated: October 15, 1975  
 Admitted to Missouri: July 11, 1986  
 Federally qualified: August 1, 1986  
 Accredited: NCQA - Full Accreditation  
 Model type: Mixed

## 1995 YEAR-END OFFICERS

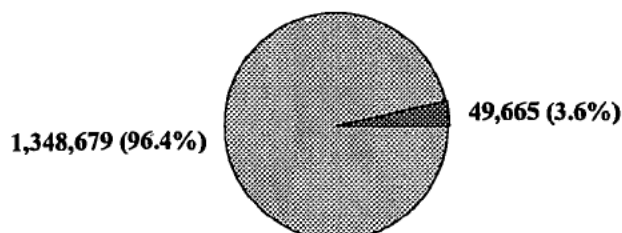
President: Samuel Howard Havens  
 Secretary: Chrystal Veazey-Watson  
 Senior V.P. & Comptroller: Robert David Blood  
 Other Senior V.P.s: Ian S. Udvarhelyi M.D., Robert D. Blood,  
 Dennis R. Walsh, Rollin L. Lacy, Kathleen S. Swenson,  
 William L. Roper M.D., Richard F. Rivers, Ivan J. Kamil M.D.

## 1995 MISSOURI ENROLLMENT

Total Missouri member months for the year:  
**422,282**  
 Missouri members at end of year:  
**49,665**

## 1995 TOTAL ENROLLMENT

Non-Missouri enrollment includes Prudential Health Care Plan members residing in all other states the plan is licensed: AR, CO, DC, FL, IL, IN, KS, KY, MD, MA, MS, NJ, NC, OH, OK, PA, TN, TX, & VA



■ Missouri Members    ■ Non-Missouri Members

## 1995 YEAR-END DIRECTORS

Samuel H. Havens, George H. Becker Jr.,  
 William L. Roper M.D., Kathleen S. Swenson,  
 Carolann P. Moore, Stephen McCarthy

## SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Kansas and Missouri:  
**54**

Approximate number of primary care physicians (PCP) in KS/MO:  
**720**

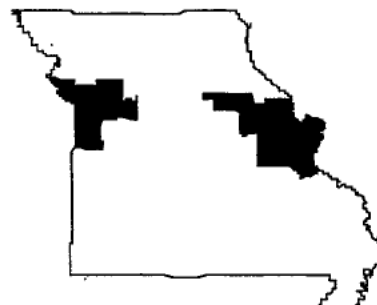
Total number of participating physicians in all states plan is licensed:  
**40,092**

## MISSOURI COUNTIES IN SERVICE AREA

Audrain, Cass, Clay, Franklin, Jackson, Jefferson, Lafayette, Lincoln, Montgomery, Platte, Ray, St. Charles, St. Louis, St. Louis City, Warren

## ILLINOIS and KANSAS COUNTIES IN SERVICE AREA

Calhoun IL, Clinton IL, Randolph IL, Johnson KS, Leavenworth KS, Miami KS, Wyandotte KS



# PRUDENTIAL HEALTH CARE PLAN, INC., d/b/a PRUCARE

## Notes to Financial Statements Management's Discussion & Analysis<sup>1</sup>

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### 1. Organization

Prudential Health Care Plan, Inc. (the Company) is a wholly-owned subsidiary of PRUCO, Inc., a wholly-owned subsidiary of The Prudential Insurance Company of America (Prudential). The Company was incorporated on October 15, 1975 under the laws of the state of Texas. The Company is a Health Maintenance Organization (HMO) engaged in providing and arranging for the health care services and in the marketing and administration of contracts for such services. *The Company is licensed to operate in twenty states, including Illinois, Kansas, and Missouri.* The Company has various agreements with affiliates relating to fees, reimbursement of expenses, services of officers and employees and use of equipment and office space.

### 2. Results of Operations

Premium revenue grew at a rate of 14.2%, while membership grew 15.6%. Most notable is the increase in Medicare and Medicaid premium due to the Company's initiatives to enter new markets. Competitive rate pressures prevented premium from growing at a larger rate. Medical expenses continued to grow at a greater rate than premium due to the Company's strategic initiatives in the Medicare/Medicaid markets, coupled with the restructuring of existing group models and establishment of new group models. The Company has implemented specific costs reduction initiatives, including recontracting with providers and improved utilization management focused on reducing medical expenses. Administrative expenses were also impacted by the Company's strategic initiatives. Through a service agreement with its parent, the Company receives an allocated share of expenses, such as those associated with efforts to enter new markets and recontract with providers. Specific cost reduction initiatives, including internal restructuring, are intended to reduce the Company's level of administrative expenses in future years.

### 3. Related Parties

The Company provides health insurance benefits to certain Prudential affiliates. Enrollment contract revenues include \$95,437,507 and \$92,552,200 for Prudential affiliates for 1995 and 1994, respectively (*4.6% of total 1995 premiums, and 5.1% of the 1994 total*). Accounts receivable-enrollment contracts include \$14,740,103 and \$12,435,814 from Prudential affiliates as of December 31, 1995 and 1994, respectively.

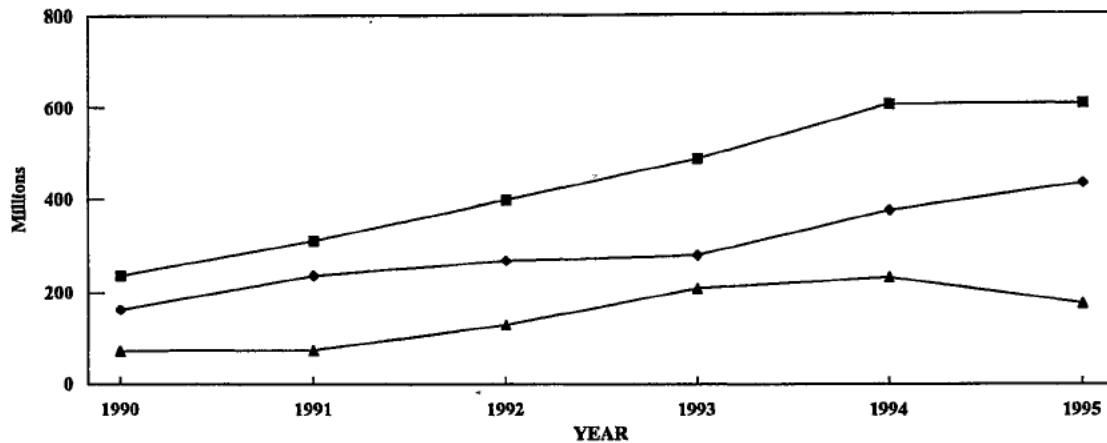
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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the Prudential Health Care Plan, Inc., (the Company) and the Company's 1995 "Management's Discussion and Analysis" supplemental filing. Italicized text indicates unquoted text added for clarification.



# Prudential Health Care Plan, Inc., d/b/a PruCare

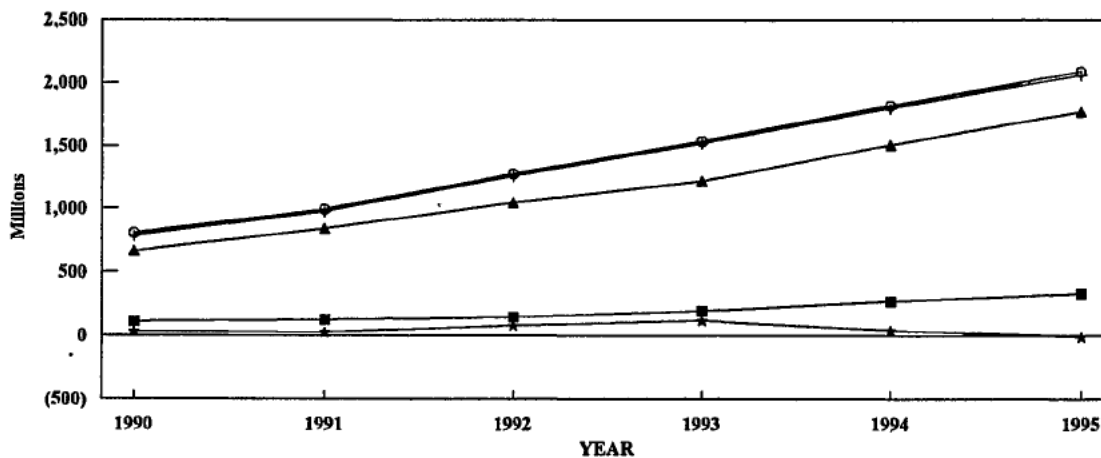
## Balance Sheet Items



■ Total Assets    ♦ Total Liabilities    ▲ Total Net Worth

Item	1990	1991	1992	1993	1994	1995
Total Assets	\$234,867,565	\$309,619,605	\$396,502,613	\$485,662,688	\$604,100,960	\$605,572,499
Total Liabilities	\$162,310,153	\$235,353,674	\$267,160,913	\$277,428,362	\$373,528,207	\$431,425,305
Total Net Worth	\$72,557,412	\$74,265,931	\$129,341,700	\$208,234,326	\$230,572,753	\$174,147,194

## Income Statement Items

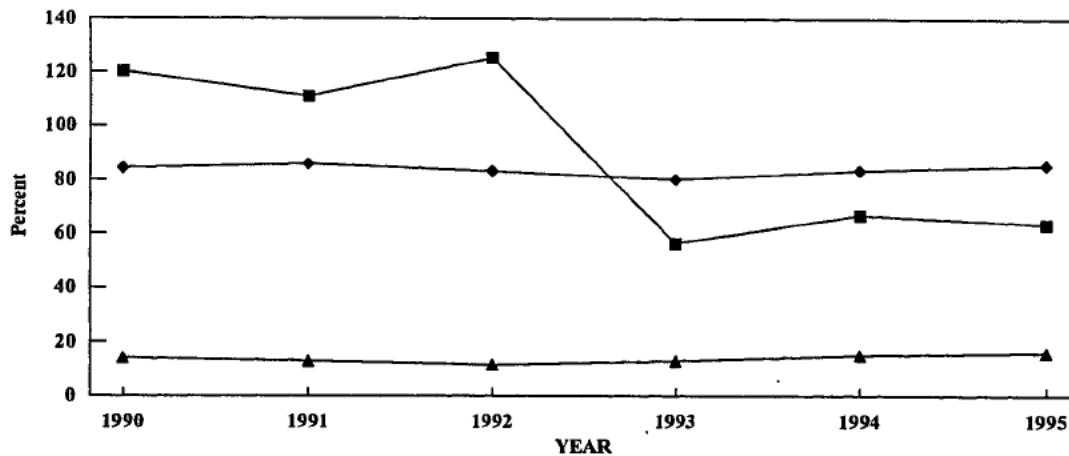


+ Premium Revenue    ○ Total Revenue    ▲ Medical & Hospital Expenses  
 ■ Total Administration Expenses    ★ Income

Item	1990	1991	1992	1993	1994	1995
Premium Revenue	\$784,837,648	\$975,783,852	\$1,259,735,894	\$1,517,555,237	\$1,798,821,907	\$2,060,338,683
Total Revenue	\$802,074,965	\$990,136,734	\$1,274,745,453	\$1,533,859,660	\$1,816,523,500	\$2,084,280,960
Medical & Hospital Expenses	\$660,759,023	\$837,330,667	\$1,048,648,567	\$1,218,735,678	\$1,504,114,443	\$1,766,445,697
Administration Expenses	\$111,872,463	\$128,093,904	\$145,311,710	\$197,464,409	\$271,556,159	\$331,348,399
Income	\$29,443,479	\$24,712,163	\$80,785,176	\$117,659,573	\$40,852,898	(\$13,513,136)

# Prudential Health Care Plan, Inc., d/b/a PruCare

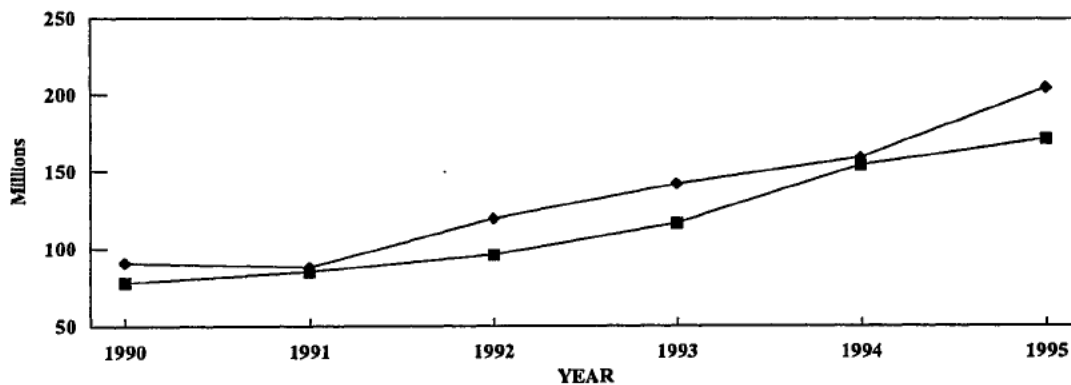
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1990	1991	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	120.2%	111.1%	125.6%	56.3%	66.9%	63.4%
Medical & Hospital Expenses/Premium Revenue	84.2%	85.8%	83.2%	-238.4%	83.6%	85.7%
Administration Expenses/Total Revenue	13.9%	12.9%	11.4%	6548.2%	14.9%	15.9%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1990	1991	1992	1993	1994	1995
Development of Prior Year Claims	\$77,598,725	\$84,783,717	\$96,109,222	\$116,338,746	\$153,838,234	\$171,343,554
Estimated Liability of Unpaid Claims Previous Year	\$90,487,059	\$87,773,753	\$119,025,153	\$141,545,883	\$159,037,378	\$204,677,639

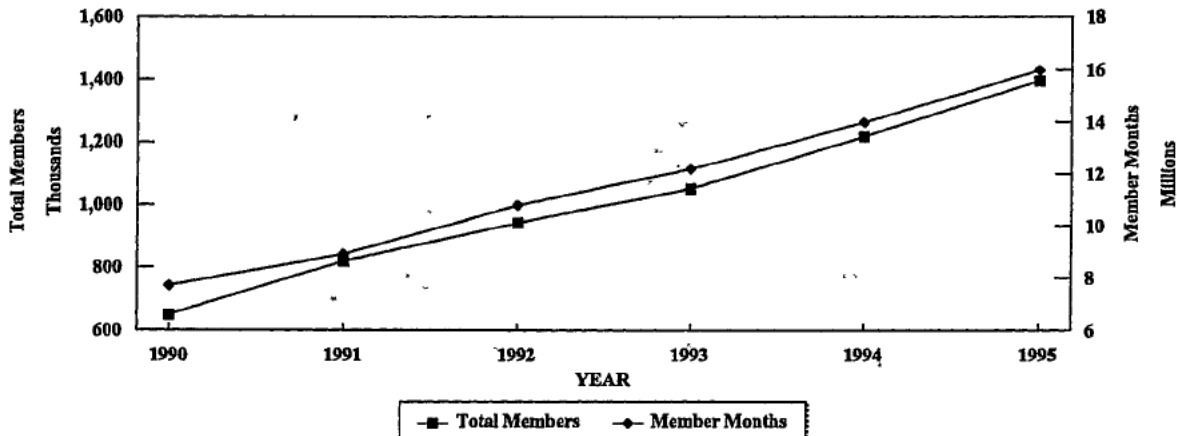
Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# Prudential Health Care Plan, Inc., d/b/a PruCare

## Total Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	647,430	818,838	942,605	1,051,351	1,218,091	1,398,344
Total Member Months	7,689,704	8,894,480	10,759,397	12,182,264	13,973,835	15,971,304

## 1995 Missouri Enrollment Demographics

Note: The following chart and table includes approximately 30,000 Administrative Service Only (ASO) enrollees residing in Missouri. In addition, approximately 19% of the totals shown are Medicaid recipients.

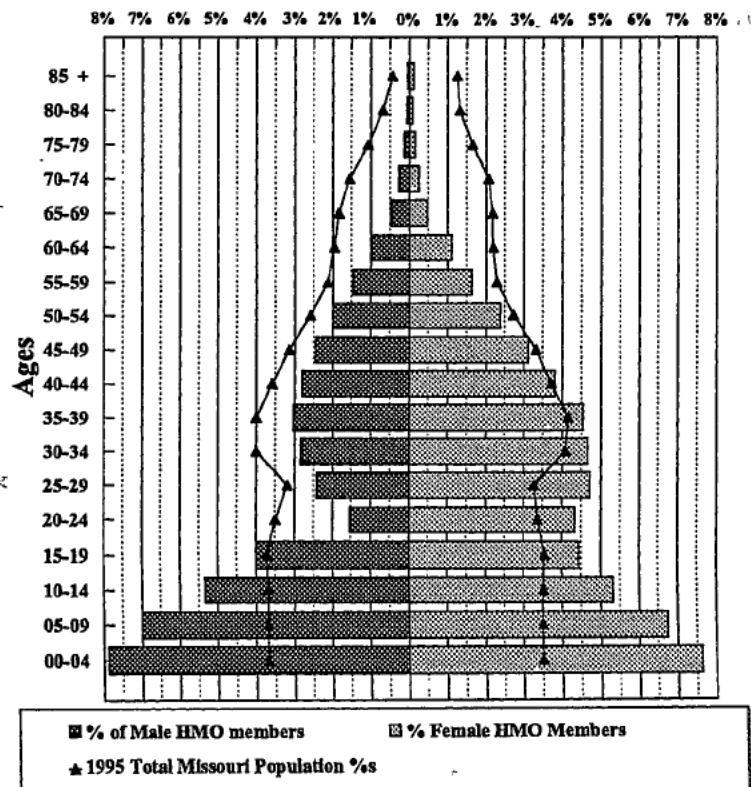
### Average Age of Enrollees

Commercial Members = 28.0  
Medicaid Members = 12.6  
Total Members = 25.0

### Percentage of Female Enrollees

Commercial Members = 54.4%  
Medicaid Members = 59.6%  
Total Members = 55.4%

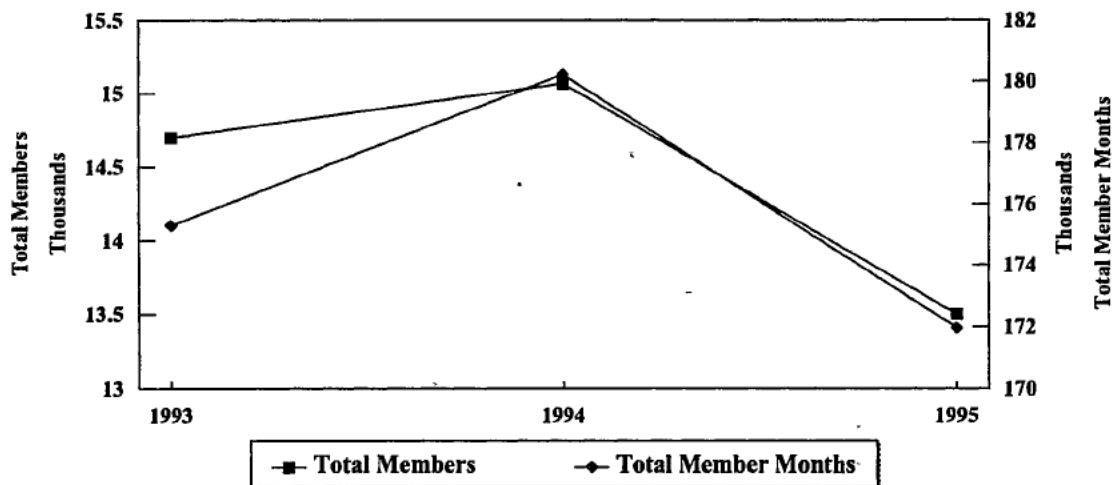
Males	Females	Totals
41	96	137
48	61	109
98	112	210
205	198	403
374	369	743
777	865	1,642
1,158	1,280	2,438
1,566	1,870	3,436
1,918	2,445	4,363
2,197	2,989	5,186
2,387	3,574	5,961
2,225	3,663	5,888
1,898	3,714	5,612
1,206	3,408	4,614
3,138	3,498	6,636
4,197	4,192	8,389
5,504	5,299	10,803
6,212	6,005	12,217
35,149	43,638	78,787



# Truman Medical Center, Inc.

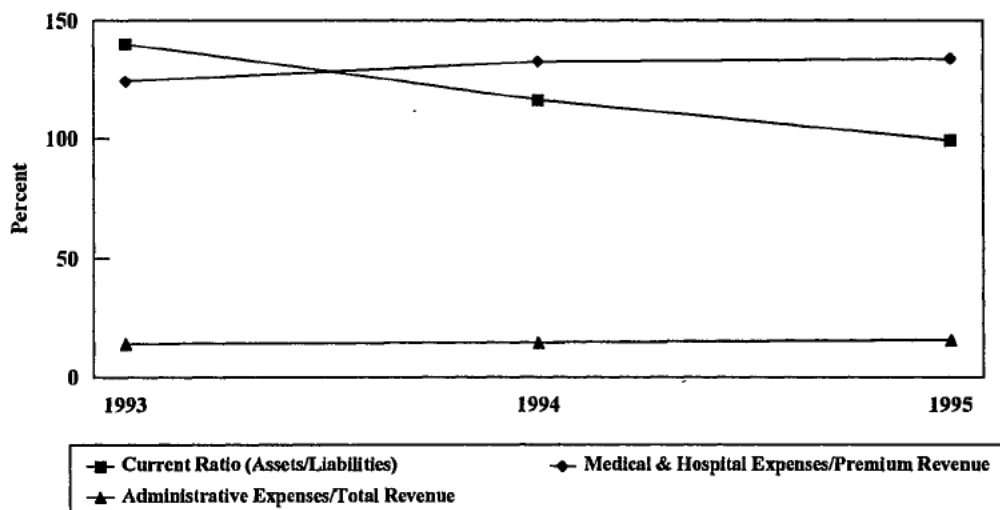
Note: The following data, especially administration and medical expenses compared to premium revenue and total revenue, appear unusual due to their annual statement presenting information for the entire Truman Medical Center corporate entity (Truman Medical Center East, Truman Medical Center West, and Truman Medical Center (HMO)).

## Enrollment



Item	1993	1994	1995
Total Members	14,694	15,069	13,498
Total Member Months	175,287	180,218	171,959

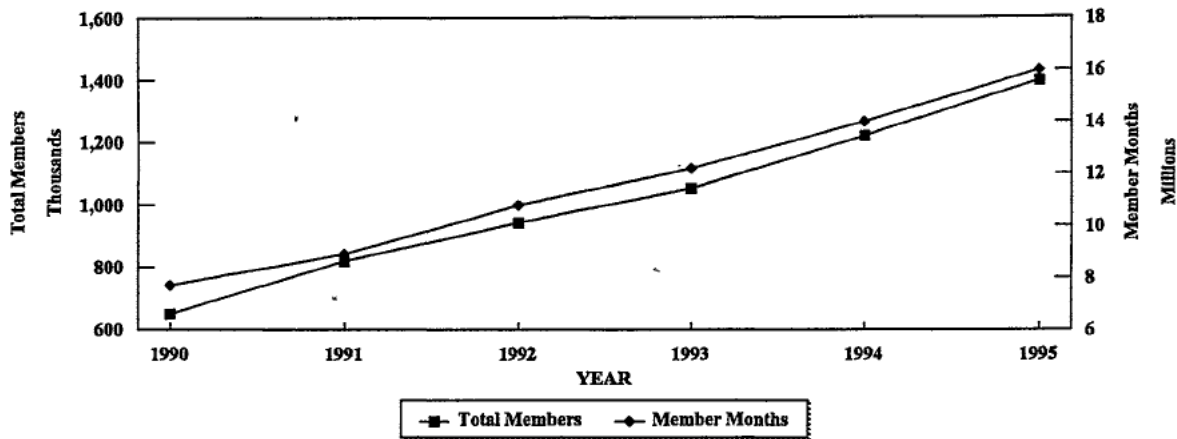
## Formulas



Item	1993	1994	1995
Current Ratio (Assets/Liabilities)	140.0%	116.3%	99.4%
Total Medical & Hospital Expenses/Premium Revenue	124.0%	132.5%	133.8%
Administration Expenses/Total Revenue	14.2%	14.7%	15.7%

# Prudential Health Care Plan, Inc., d/b/a PruCare

## Total Enrollment



Item	1990	1991	1992	1993	1994	1995
Total Members	647,430	818,838	942,605	1,051,351	1,218,091	1,398,344
Total Member Months	7,689,704	8,894,480	10,759,397	12,182,264	13,973,835	15,971,304

## 1995 Missouri Enrollment Demographics

Note: The following chart and table includes approximately 30,000 Administrative Service Only (ASO) enrollees residing in Missouri. In addition, approximately 19% of the totals shown are Medicaid recipients.

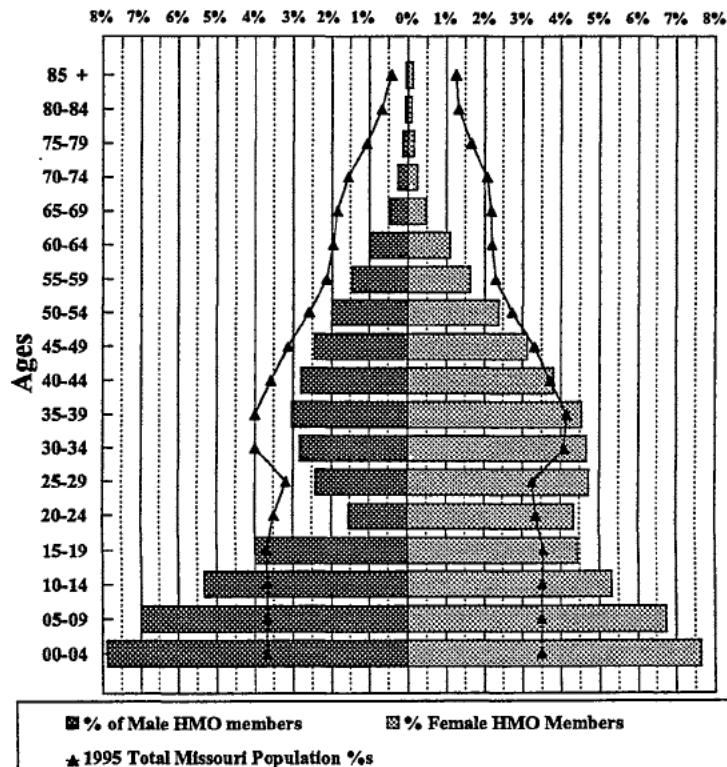
### Average Age of Enrollees

Commercial Members = 28.0  
 Medicaid Members = 12.6  
 Total Members = 25.0

### Percentage of Female Enrollees

Commercial Members = 54.4%  
 Medicaid Members = 59.6%  
 Total Members = 55.4%

Males	Females	Totals
41	96	137
48	61	109
98	112	210
205	198	403
374	369	743
777	865	1,642
1,158	1,280	2,438
1,566	1,870	3,436
1,918	2,445	4,363
2,197	2,989	5,186
2,387	3,574	5,961
2,225	3,663	5,888
1,898	3,714	5,612
1,206	3,408	4,614
3,138	3,498	6,636
4,197	4,192	8,389
5,504	5,299	10,803
6,212	6,005	12,217
35,149	43,638	78,787



# TriSource HealthCare, Inc., d/b/a Blue-Advantage

**TriSource HealthCare, Inc., d/b/a Blue-Advantage**

P.O. Box 419169

Kansas City, MO 64141-6169

800/892-6048 or 816/395-2222

State of Domicile: Missouri

An affiliated company of: Blue Cross and Blue Shield of Kansas City

Incorporated: November 25, 1991

Admitted to Missouri: February 26, 1992

Federally qualified: N/A

Accredited: NCQA

Model type: Mixed

## 1995 YEAR-END OFFICERS

President: Larry Kent Chastain

Secretary: Michael Trent Marcotte

Chief Financial Officer: Charles Gary Deanhardt

Other Officers: David Russell Gentile

## 1995 YEAR-END DIRECTORS

Richard P. Krecker, Francis V. Creeden Jr., Richard W. Brown,  
Francis H. Devocelle, Larry K. Chastain, David R. Gentile,  
John W. Walker, Michael T. Marcotte, Michael E. Payne,  
Charles G. Deanhardt, Glenn E. Potter, John W. Knack Jr., Karon E. Harris

## 1995 MISSOURI ENROLLMENT

Total Missouri member months:

**311,687**

Total Missouri members:

**30,160**

## SERVICE AREA OPERATIONS DATA

Number of hospitals contracted with in Kansas and Missouri:

**21**

Approximate number of primary care physicians (PCPs) in KS/MO:

**220**

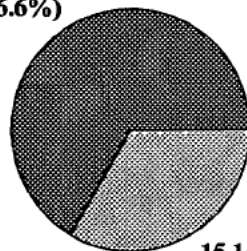
Total number of participating physicians in Kansas and Missouri:

**530**

## 1995 TOTAL ENROLLMENT

Non-Missouri enrollment includes Kansas members

30,160 (66.6%)



15,146 (33.4%)

■ Missouri Members

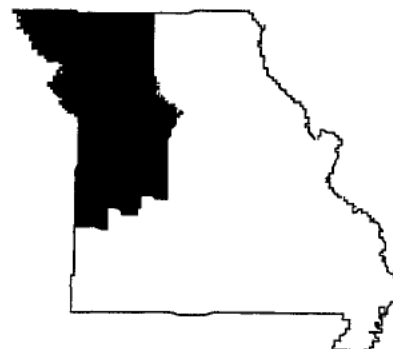
■ Non-Missouri Members

## MISSOURI COUNTIES IN SERVICE AREA

Andrew, Atchison, Bates, Benton, Buchanan, Caldwell, Carroll, Cass, Clay, Clinton,  
Davies, Dekalb, Gentry, Grundy, Harrison, Henry, Holt, Jackson, Johnson, Lafayette,  
Livingston, Mercer, Nodaway, Pettis, Platte, Ray, Saline, St. Clair, Vernon, Worth

## KANSAS COUNTIES IN SERVICE AREA

Atchison, Douglas, Franklin, Johnson, Leavenworth, Miami, Wyandotte



# **TRISOURCE HEALTHCARE, INC., d/b/a BLUE-ADVANTAGE**

## **Notes to Financial Statements Management's Discussion & Analysis<sup>1</sup>**

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### **1. Organization**

TriSource HealthCare, Inc. (the Company) markets health maintenance organization (HMO) benefits under the product name of Blue-Advantage. The Company is owned by TriLink HealthCare, Inc. (a wholly owned subsidiary of Blue Cross and Blue Shield of Kansas City), Olathe Health Development Corporation, Health Midwest Ventures Group, Inc., Providence Medical Center and University of Kansas Medical Center and Blue Cross Blue Shield of Kansas. The Company provides health care benefits through Company employed physicians and through contracted physicians.

### **2. Results of Operations**

TriSource began operations in 1992, and has experienced good growth in membership. Members at December 31, 1995 were 45,306 compared to 29,756 at December 31, 1994. As a result of this growth, operating results for 1995 show large increases in all categories. TriSource did experience slightly less favorable underwriting results in 1995. This was due to continued investments in physician practices in 1995 and to competitive pressures in the HMO market in Kansas City especially from large publicly-held HMO's with access to capital markets. Administrative Service Only (ASO) contracts are those for which the various employers retain all health care service risks, while the Company assumes administrative risk. The Company does not reflect payment of ASO claims in its Statement of Revenue and Expenses.

### **3. Related Parties**

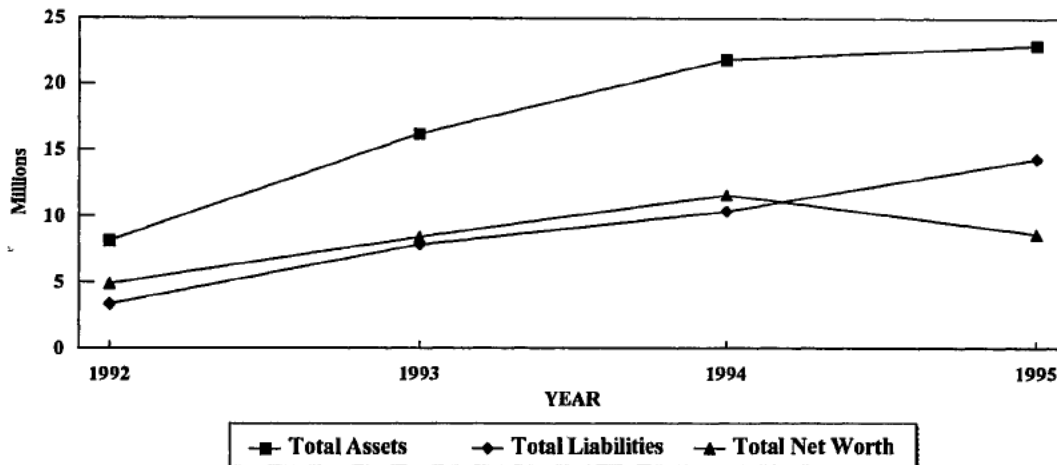
The Company has entered an agreement with Blue Cross and Blue Shield of Kansas City whereby the parties have agreed to share in the overall operating results of the health insurance risks related to coverage sold by Blue Cross and Blue Shield and the Company to certain employer groups. The Company has contracted with Blue Cross and Blue Shield of Kansas City for management and administrative services including purchasing, personnel, payroll and office space and maintenance. The Company has entered into an agreement with Good Health HMO, Inc. a wholly owned subsidiary of Blue Cross and Blue Shield of Kansas City, to administer and provide medical benefits to Good Health's members under a contract with the Health Care Finance Administration to provide benefits to Medicare qualified enrollees on a risk basis under section 1876(g) of the Social Security Act.

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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the TriSource HealthCare, Inc., d/b/a Blue-Advantage (the Company), and the Company's 1995 Management's Discussion and Analysis supplemental filing.

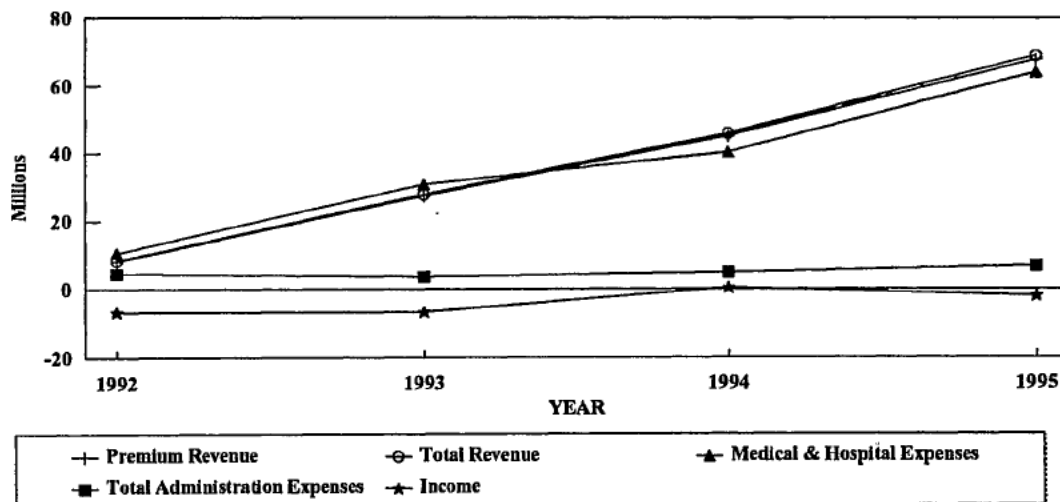
# TriSource HealthCare, Inc., d/b/a Blue-Advantage

## Balance Sheet Items



Item	1992	1993	1994	1995
Total Assets	\$8,123,487	\$16,228,369	\$21,896,091	\$22,973,614
Total Liabilities	\$3,295,026	\$7,847,535	\$10,309,337	\$14,349,792
Total Net Worth	\$4,828,461	\$8,380,834	\$11,586,754	\$8,623,822

## Income Statement Items

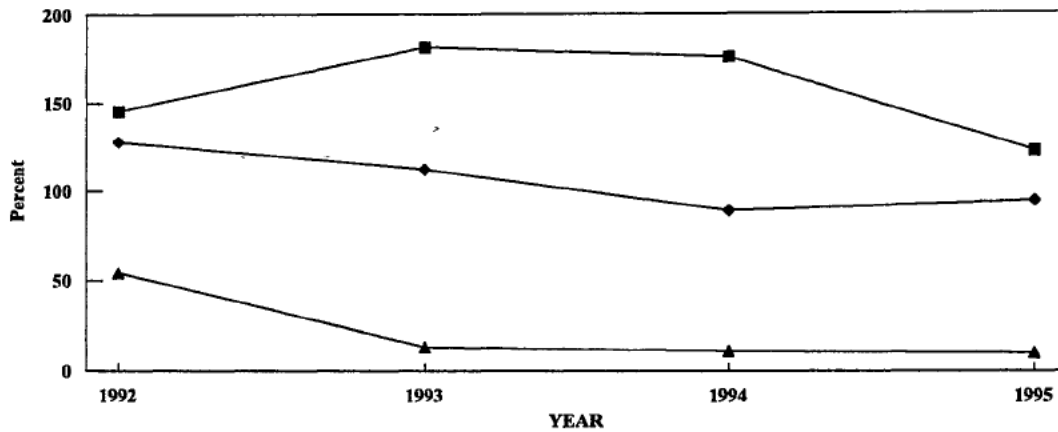


Item	1992	1993	1994	1995
Premium Revenue	\$8,249,998	\$27,577,685	\$45,282,798	\$67,851,679
Total Revenue	\$8,417,598	\$27,924,951	\$45,952,985	\$68,945,040
Medical & Hospital Expenses	\$10,515,840	\$30,850,978	\$40,372,052	\$64,050,400
Administration Expenses	\$4,578,240	\$3,703,994	\$5,029,202	\$6,899,531
Income	(\$6,676,482)	(\$6,630,021)	\$551,731	(\$2,004,891)



# TriSource HealthCare, Inc., d/b/a Blue-Advantage

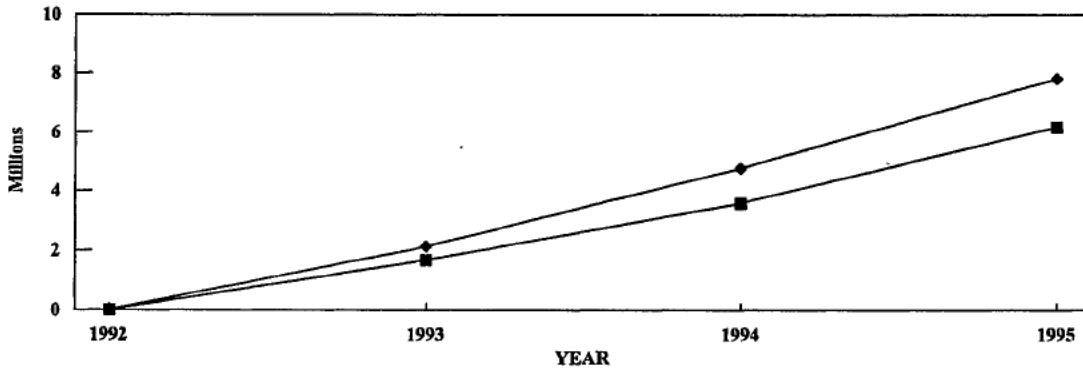
## Formulas



■ Current Ratio (Assets/Liabilities)      ◆ Medical & Hospital Expenses/Premium Revenue  
 ▲ Administration Expenses/Total Revenue

Item	1992	1993	1994	1995
Current Ratio (Assets/Liabilities)	145.6%	181.4%	175.8%	122.2%
Medical & Hospital Expenses/Premium Revenue	127.5%	111.9%	89.2%	94.4%
Administration Expenses/Total Revenue	54.4%	13.3%	10.9%	10.0%

## Unpaid Claims Analysis



■ Development of Prior Year Claims      ◆ Estimated Liability of Unpaid Claims Previous Year

Item	1992	1993	1994	1995
Development of Prior Year Claims	N/A	\$1,673,221	\$3,602,460	\$6,203,726
Estimated Liability of Unpaid Claims Previous Year	N/A	\$2,137,266	\$4,789,460	\$7,828,065

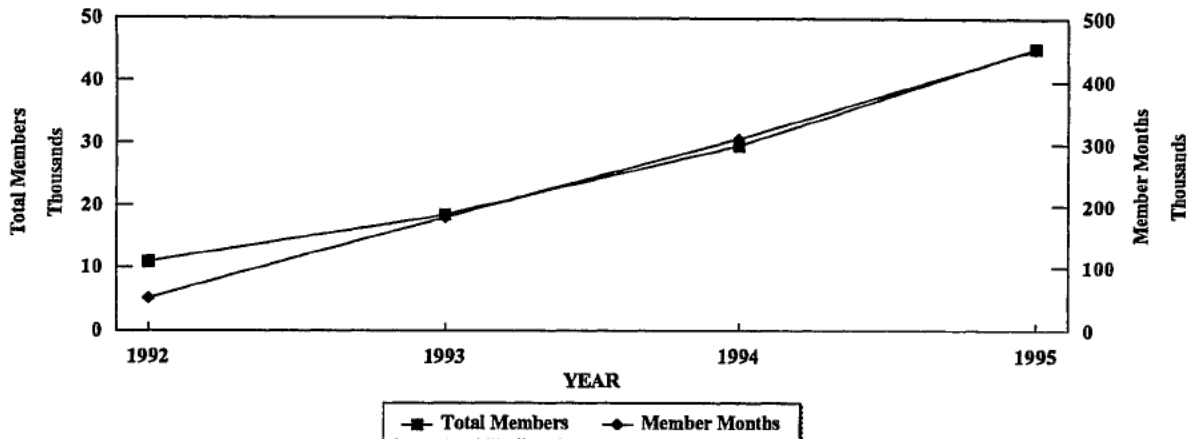
Development of Prior Year Claims is the sum of total claims paid during the year but incurred in the prior year, and claims unpaid as of 12/31 of the current year on claims incurred in prior years.

Estimated Liability of Unpaid Claims Previous Year is the estimated liability of all unpaid claims as 12/31 of the previous year.

The graph shows the trend in unpaid claims liability and the accuracy of the HMO in accounting for outstanding liabilities. A relatively large gap between the two trends or erratic trend behavior may require a more detailed analysis of claims management operations. Relatively large changes in both value should be examined on a per member per month basis.

# TriSource HealthCare, Inc., d/b/a Blue-Advantage

## Total Enrollment



Item	1992	1993	1994	1995
Total Members	10,831	18,480	29,756	45,306
Total Member Months	50,096	180,497	309,049	450,919

## 1995 Enrollment Demographics

Note: Although the lines in the following chart depict the distribution of total Missouri population, the bars actually represent all members of TriSource HealthCare including those residing in Kansas and Missouri. Approximately 3% of the counts are Medicaid enrollees.

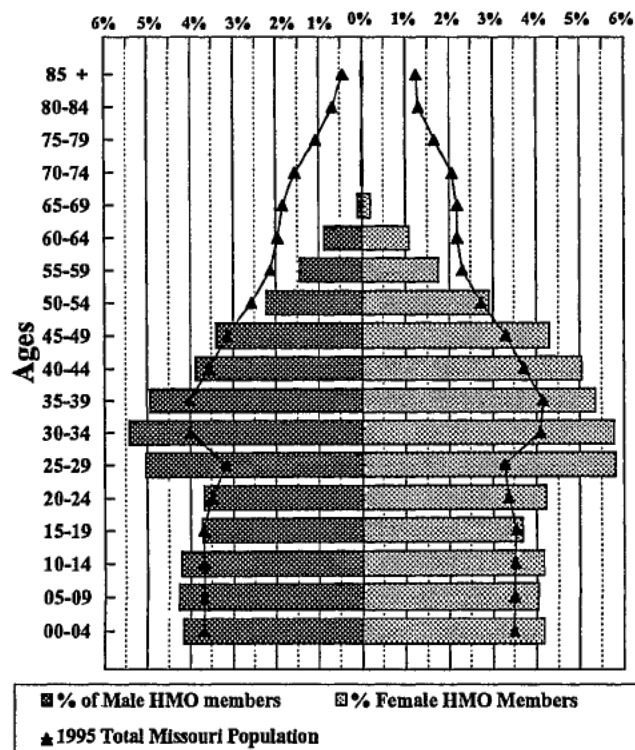
### Average Age of Enrollees

Commercial Members = 29.3  
 Medicaid Members = 17.6  
 Total Members = 28.9

### Percentage of Female Enrollees

Commercial Members = 52.3%  
 Medicaid Members = 61.0  
 Total Members = 52.5%

Males	Females	Totals
9	10	19
0	0	0
4	3	7
14	11	25
44	88	132
394	483	877
660	795	1,455
1,011	1,321	2,332
1,538	1,948	3,486
1,758	2,286	4,044
2,240	2,428	4,668
2,460	2,621	5,081
2,282	2,635	4,917
1,667	1,914	3,581
1,693	1,662	3,355
1,910	1,885	3,795
1,931	1,824	3,755
1,886	1,891	3,777
21,501	23,805	45,306



# Truman Medical Center, Inc.

**Truman Medical Center, Inc.**  
 2301 Holmes Street  
 Kansas City, MO 64108  
 816/556-3000  
 State of Domicile: Missouri

**Incorporated: September 15, 1986**  
**Admitted to Missouri: January 1, 1987**  
**Federally qualified: N/A**  
**Accredited: N/A**  
**Model type: Staff**

## 1995 YEAR-END OFFICERS

President: John Wood  
 Secretary: Fritz Riesmeyer  
 Treasurer: Bennett Levy

Other Officers: Nancy Seelen, John Borden, Art Davis, Randall Ferguson

## 1995 YEAR-END DIRECTORS

Timothy Barchak, John Borden, Ben Boyd, William Bruning, Rose Bryant, Joanne Collins, Charles Curran, Art Davis, Edward Dullenty R.N., Randall Ferguson, Frances Foerschler, Denise Gilmore, Stephen Hamburger M.D., Peter Kragel M.D., George Leonard, Bennet Levy, Joyce Mekonen, Ed Mosby, David Oliver, Fritz Riesmeyer, Margo Soule, Craig Sutherland, Suzanne Weber, John Wood, Louis Wright, John Worst, Peter Yeloda

## 1995 MISSOURI ENROLLMENT

Total Missouri member months:  
**171,959**

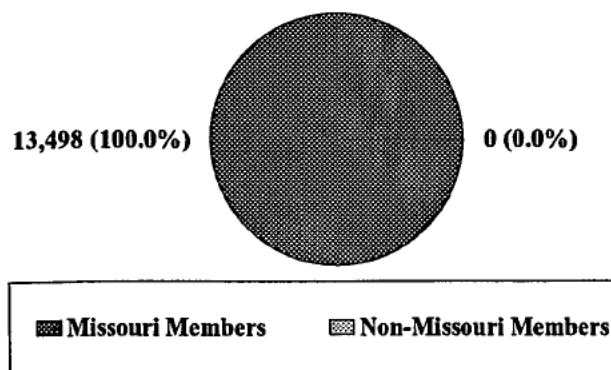
Total Missouri members:  
**13,498**

## SERVICE AREA OPERATIONS DATA

Number of Missouri hospitals contracted with:  
**4**

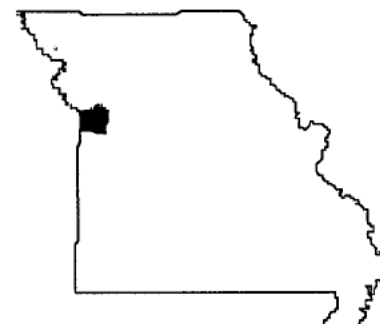
Number of Missouri participating physicians:  
**111**

## 1995 TOTAL ENROLLMENT



## MISSOURI COUNTIES IN SERVICE AREA

Jackson



# TRUMAN MEDICAL CENTER, INC.

## Notes to Financial Statements Management's Discussion & Analysis<sup>1</sup>

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### 1. Organization

The Truman Medical Center, Inc. (*TMC, Inc.*) financial statements submitted in the Annual Statement reflect the total operations of both Hospitals, TMC West and TMC East. Their activity in the HMO operations is included in the financial information provided but not separately disclosed. The TMC corporation services provided to the HMO Medicaid recipients aggregate to approximately \$4,500,000 annually. The majority of the HMO services are provided by Children's Mercy Hospital, on a risk basis, through a contract with TMC, Inc. The management of TMC, Inc. has recently established a separate corporation to transfer the existing HMO operations to and in preparation for additional managed care Medicaid services and other HMO contracts. The separate corporation will provide improved financial information and simplify the regulatory reporting requirements.

### 2. Results of Operations

The TMC HMO plan is liable for claims only to the extent of capitation payments received from the State. The State is ultimately responsible for providing an adequate health care delivery system. Since the HMO is totally Medicaid, loss reserves are not required. Any losses resulting from claims, exceeding State payments are absorbed on a pro rata basis by the primary providers of services, Truman Medical Center, Children's Mercy Hospital, and Hospital Hill Health Services. The HMO services (AFDC Capitation program) represents approximately 6% of total patient services provided by TMC, Inc.

### 3. Related Parties

At the present time (*December 31, 1995*) the only known specific change in government programs that could have a significant impact on future operations is the expansion of Medicaid capitation. We (*TMC, Inc.*) are involved with and closely following the expanded Medicaid capitation project that will be implemented in the Kansas City and surrounding counties. The Department of Insurance is aware of a recent decision to partner with Children's Mercy Hospital in structuring a HMO for contracting with the State to provide Medicaid capitation services. The Corporation is also involved in developing additional partner relationships and/or alliances to be able to compete in the managed care/capitation environment.

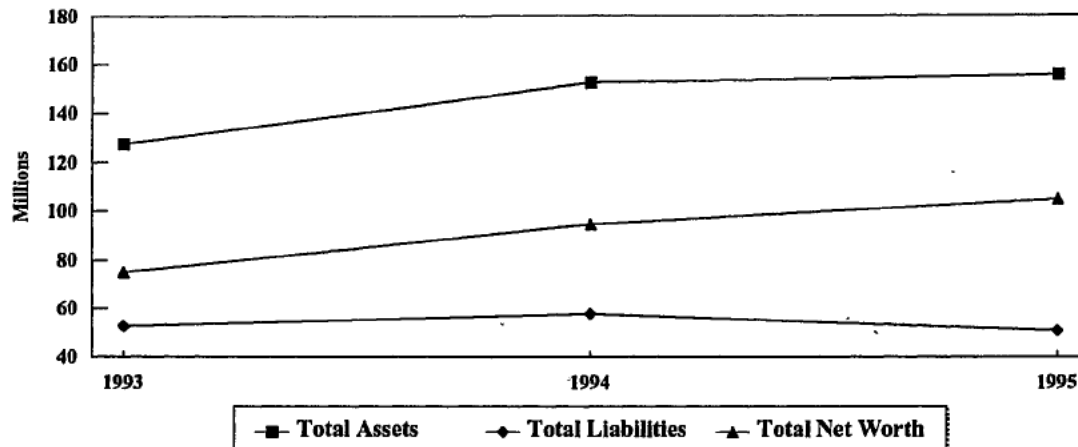
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<sup>1</sup>Excerpts quoted from the Statement as of December 31, 1995 of the Truman Medical Center, Inc. (*TMC, Inc.*), and TMC, Inc.'s 1995 Management's Discussion and Analysis supplemental filing. Italicized text indicates unquoted text added for clarification.

# Truman Medical Center, Inc.

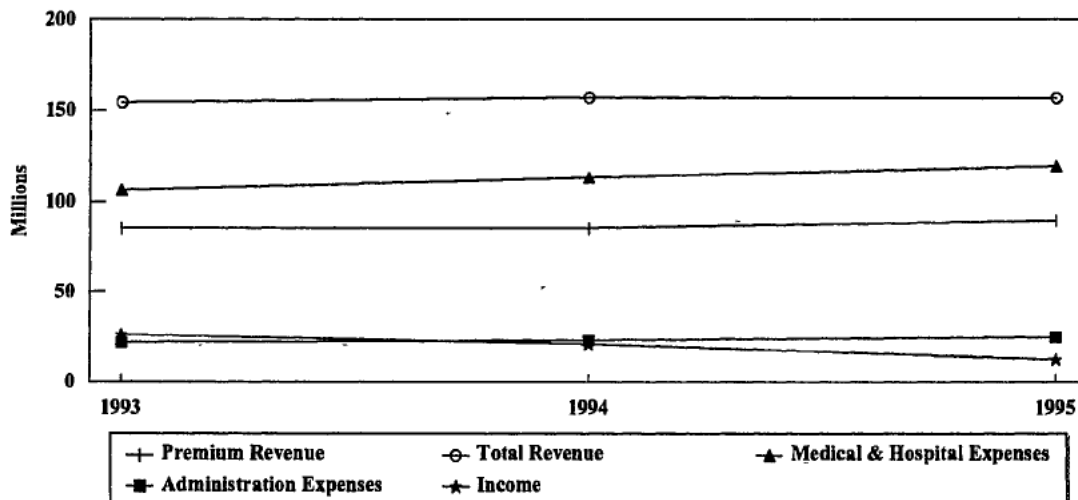
Note: The following data, especially administration and medical expenses compared to premium revenue and total revenue, appear unusual due to their annual statement presenting information for the entire Truman Medical Center corporate entity (Truman Medical Center East, Truman Medical Center West, and Truman Medical Center (HMO)).

## Balance Sheet Items



Item	1993	1994	1995
Total Assets	\$127,475,314	\$152,310,173	\$155,593,254
Total Liabilities	\$52,515,477	\$57,697,355	\$50,791,453
Total Net Worth	\$74,959,837	\$94,612,818	\$104,801,801

## Income Statement Items

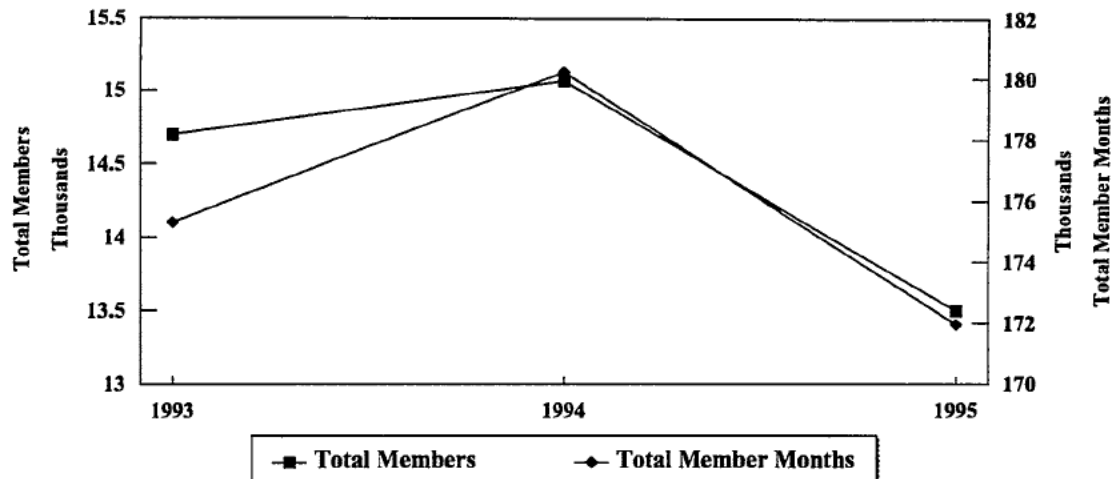


Item	1993	1994	1995
Premium Revenue	\$85,623,811	\$85,411,204	\$89,556,379
Total Revenue	\$154,291,155	\$157,201,868	\$157,019,860
Medical & Hospital Expenses	\$106,144,211	\$113,147,697	\$119,808,992
Administration Expenses	\$21,926,309	\$23,075,133	\$24,686,489
Income	\$26,220,635	\$20,979,038	\$12,524,379

# Truman Medical Center, Inc.

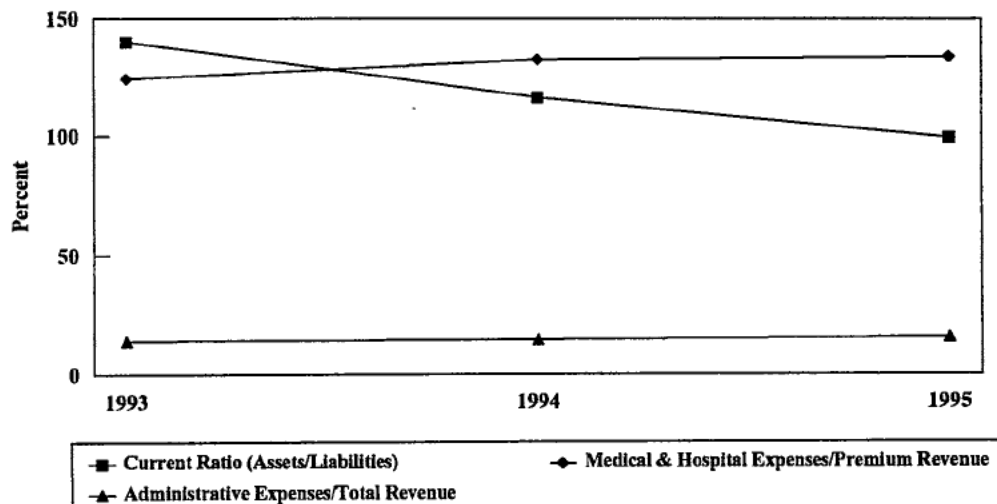
Note: The following data, especially administration and medical expenses compared to premium revenue and total revenue, appear unusual due to their annual statement presenting information for the entire Truman Medical Center corporate entity (Truman Medical Center East, Truman Medical Center West, and Truman Medical Center (HMO)).

## Enrollment



Item	1993	1994	1995
Total Members	14,694	15,069	13,498
Total Member Months	175,287	180,218	171,959

## Formulas



Item	1993	1994	1995
Current Ratio (Assets/Liabilities)	140.0%	116.3%	99.4%
Total Medical & Hospital Expenses/Premium Revenue	124.0%	132.5%	133.8%
Administration Expenses/Total Revenue	14.2%	14.7%	15.7%

**MISSOURI  
HMO  
REPORT  
1995**

**APPENDIX**

**ENROLLMENT BY REGIONS  
and METROPOLITAN  
STATISTICAL AREAS (MSAs)**

# 1995 HMO ENROLLMENT BY GEOGRAPHIC REGION



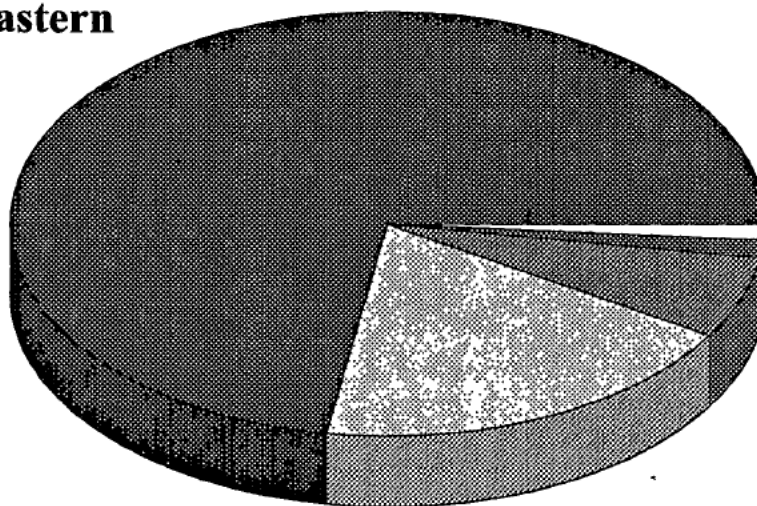


# TOTAL 1995 MISSOURI ENROLLMENT BY REGION

HMO PLANS, POINT-OF-SERVICE (POS) PLANS, MEDICARE, and MEDICAID

**\* Total 1995 Missouri Enrollment = 1,103,449**

**(72.4%) Eastern**



**(1.2 %) Remaining Region**

**(1.3%) Southwestern**

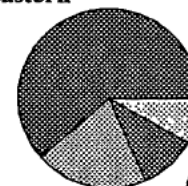
**(6.2%) Central**

**(18.8%) Western**

\*Note: The following enrollment data are derived from 1995 HMO annual supplement filings which were often completed at a later date than the 1995 Annual Statements. Therefore, slight differences may be observed. In addition, all of Prudential Health Care Plan's 80,000 Point-of-Service (POS) enrollees and approximately 26,000 of CIGNA HealthCare of St. Louis's (POS) enrollees indicated as residing in Missouri, are not reported as Missouri members on 1995 Annual Statements. These POS enrollees represent individuals covered under group contracts issued in other states which allow covered individuals residing in Missouri to utilize the HMO's (or affiliated HMO's) local services. Conversely, approximately 20,000 of Principal Health Care of Kansas City's enrollees, covered under Missouri group contracts and reported as Missouri members on the Annual Statement, actually reside in Kansas. Therefore, the Missouri enrollment totals for these HMOs, other HMOs, and all HMOs combined, as shown above and on the following pages, are different from the totals based on 1995 Annual Statements, shown previously on pages 15 - 19.

## Remaining Regions

**(61.3%) Southeastern**



**(8.3%) South Central**

**(10.3%) Northeastern**

**(20.2%) Northwestern**

# 1995 HMO EASTERN REGION ENROLLMENT BY HMO BY ENROLLMENT CLASSIFICATION

Region / Counties Included	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members
<b>EASTERN REGION</b>						
Crawford	GenCare Health Systems, Inc.	112,663	24,976	2,364	19,350	159,353
Dent	Physicians Health Plan of Greater St. Louis, Inc.	144,769	0	8,803	0	153,572
Franklin	Prudential Health Care Plan, Inc., d/b/a PruCare	35,804	59,899	0	14,990	110,693
Iron	Group Health Plan, Inc.	52,574	10,978	10,146	0	73,698
Jefferson	Medical Center Health Plan, d/b/a Partners HMO	37,142	1,110	0	26,645	64,897
Lincoln	HMO Missouri, Inc., d/b/a BlueChoice	47,613	9,778	3,922	0	61,313
Madison	HealthCare USA of Missouri LLC	0	0	0	45,435	45,435
Phelps	CIGNA HealthCare of St. Louis, Inc.	3,207	28,621	0	0	31,828
Pike	Principal Health Care of St. Louis, Inc.	28,013	0	0	0	28,013
Ralls	Alliance for Community Health, Inc.	0	0	0	21,305	21,305
Reynolds	Humana Kansas City, Inc.	11,519	0	1	0	11,520
St. Charles	Humana Health Plan, Inc.	1	0	0	11,240	11,241
St. Francois	Principal Health Care of Kansas City, Inc.	4,953	5,049	0	0	10,002
St. Louis	Mercy Health Plans of Missouri, Inc.	64	0	0	8,616	8,680
St. Louis City	HealthLink HMO, Inc.	6,831	799	0	0	7,630
Ste. Genevieve	<b>TOTALS</b>	<b>485,153</b>	<b>141,210</b>	<b>25,236</b>	<b>147,581</b>	<b>799,180</b>
Warren						
Washington						

# 1995 HMO WESTERN REGION ENROLLMENT BY HMO BY ENROLLMENT CLASSIFICATION

Region / Counties Included	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members
<b>WESTERN REGION</b>						
Bates	Humana Health Plan, Inc.	34,451	0	0	1	34,452
Buchanan	TriSource HealthCare, Inc. dba Blue-Advantage	29,770	0	0	0	29,770
Caldwell	Humana Kansas City, Inc.	19,894	0	7,637	674	28,205
Carroll	Prudential Health Care Plan, Inc.	10,248	17,536	0	0	27,784
Cass	Kaiser Foundation Health Plan of KC, Inc.	19,525	0	761	0	20,286
Clay	Good Health HMO, Inc., dba Blue-Care, Inc.	15,549	0	1,253	0	16,802
Clinton	Principal Health Care of Kansas City, Inc.	13,640	2,719	0	0	16,359
Henry	Truman Medical Center, Inc.	0	0	0	13,485	13,485
Jackson	MetraHealth Care Plan of Kansas City, Inc.	5,946	0	0	0	5,946
Johnson	CIGNA HealthCare of Kansas/Missouri, Inc.	3,786	272	0	0	4,058
Lafayette	HealthNet, Inc.	3,502	0	0	0	3,502
Livingston	GenCare Health Systems, Inc.	2,877	380	0	1	3,258
Platte	Exclusive Healthcare, Inc.	1,905	93	0	0	1,998
Ray	Community Health Plan	1,976	0	0	0	1,976
	HealthCare USA of Missouri LLC	0	0	0	13	13
	<b>TOTALS</b>	<b>163,069</b>	<b>21,000</b>	<b>9,651</b>	<b>14,174</b>	<b>207,894</b>

# 1995 HMO CENTRAL REGION ENROLLMENT BY HMO BY ENROLLMENT CLASSIFICATION

Region / Counties Included	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members
<b>CENTRAL REGION</b>	GenCare Health Systems, Inc.	28,507	2,013	0	6	30,526
Audrain	Physicians Health Plan of Greater St. Louis, Inc.	19,054	0	2	0	19,056
Benton	Humana Kansas City, Inc.	4,908	0	1	0	4,909
Boone	HMO Missouri, Inc., d/b/a BlueChoice	2,218	2,292	0	0	4,510
Callaway	Principal Health Care of Kansas City, Inc.	2,686	964	0	0	3,650
Camden	Medical Center Health Plan, d/b/a Partners HMO	3,323	5	0	0	3,328
Chariton	Prudential Health Care Plan, Inc., d/b/a PruCare	36	676	0	4	716
Cole	HealthLink HMO, Inc.	655	2	0	0	657
Cooper	CIGNA HealthCare of St. Louis, Inc.	5	625	0	0	630
Gasconade	Group Health Plan, Inc.	129	61	337	0	527
Howard	Principal Health Care of St. Louis, Inc.	67	0	0	0	67
Maries	Kaiser Foundation Health Plan of Kansas City, Inc.	36	0	11	0	47
Miller	TriSource HealthCare, Inc. d/b/a Blue-Advantage	44	0	0	0	44
Moniteau	Humana Health Plan, Inc.	36	0	0	3	39
Monroe	Good Health HMO, Inc., d/b/a Blue-Care, Inc.	30	0	0	0	30
Montgomery	CIGNA HealthCare of Kansas/Missouri, Inc.	20	1	0	0	21
Morgan	MetraHealth Care Plan of Kansas City, Inc.	21	0	0	0	21
Osage	Mercy Health Plans of Missouri, Inc.	11	0	0	4	15
Pettis	HealthCare USA of Missouri LLC	0	0	0	14	14
Pulaski	<b>TOTALS</b>	<b>61,786</b>	<b>6,639</b>	<b>351</b>	<b>31</b>	<b>68,807</b>
Randolph						
Saline						

# 1995 HMO SOUTHWESTERN REGION ENROLLMENT

## BY HMO BY ENROLLMENT CLASSIFICATION

### Region/Counties Included

#### SOUTHWESTERN REGION

Barry  
Barton  
Cedar  
Christian  
Dade  
Dallas  
Greene  
Hickory  
Jasper  
Laclede  
Lawrence  
McDonald  
Newton  
Polk  
St. Clair  
Stone  
Taney  
Vernon  
Webster

Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members
Humana Kansas City, Inc.	4,825	0	1	0	4,826
Mercy Health Plans of Missouri, Inc.	2,621	0	0	1	2,622
HMO Missouri, Inc., d/b/a BlueChoice	2,394	227	0	0	2,621
Citizens Advantage	1,882	0	0	0	1,882
Prudential Health Care Plan, Inc., d/b/a PruCare	11	1,717	0	0	1,728
GenCare Health Systems, Inc.	567	58	0	1	626
Physicians Health Plan of Greater St. Louis, Inc.	90	0	0	0	90
Humana Health Plan, Inc.	48	0	0	2	50
Kaiser Foundation Health Plan of Kansas City, Inc.	22	0	16	0	38
TriSource HealthCare, Inc. d/b/a Blue-Advantage	34	0	0	0	34
Group Health Plan, Inc.	6	3	9	0	18
Principal Health Care of Kansas City, Inc.	5	11	0	0	16
Good Health HMO, Inc., d/b/a Blue-Care, Inc.	16	0	0	0	16
CIGNA HealthCare of St. Louis, Inc.	0	11	0	0	11
Principal Health Care of St. Louis, Inc.	6	0	0	0	6
MetraHealth Care Plan of Kansas City, Inc.	6	0	0	0	6
<b>TOTALS</b>	<b>12,533</b>	<b>2,027</b>	<b>26</b>	<b>4</b>	<b>14,590</b>

# 1995 HMO SOUTHEASTERN REGION ENROLLMENT

## BY HMO BY ENROLLMENT CLASSIFICATION

Region / Counties Included	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members
<b>SOUTHEASTERN REGION</b>	HMO Missouri, Inc., d/b/a BlueChoice	64	4,357	0	0	<b>4,421</b>
<b>Bollinger</b>	Physicians Health Plan of Greater St. Louis, Inc.	1,841	0	0	0	<b>1,841</b>
<b>Butler</b>	GenCare Health Systems, Inc.	458	727	0	12	<b>1,197</b>
<b>Cape Girardeau</b>	Prudential Health Care Plan, Inc., d/b/a PruCare	46	159	0	2	<b>207</b>
<b>Carter</b>	Group Health Plan, Inc.	77	28	47	0	<b>152</b>
<b>Dunklin</b>	CIGNA HealthCare of St. Louis, Inc.	1	33	0	0	<b>34</b>
<b>Mississippi</b>	Principal Health Care of Kansas City, Inc.	1	30	0	0	<b>31</b>
<b>New Madrid</b>	Principal Health Care of St. Louis, Inc.	19	0	0	0	<b>19</b>
<b>Pemiscot</b>	Alliance for Community Health, Inc.	0	0	0	17	<b>17</b>
<b>Perry</b>	HealthCare USA of Missouri LLC	0	0	0	15	<b>15</b>
<b>Ripley</b>	Medical Center Health Plan, d/b/a Partners HMO	11	0	0	0	<b>11</b>
<b>Scott</b>	Mercy Health Plans of Missouri, Inc.	0	0	0	7	<b>7</b>
<b>Stoddard</b>	Humana Kansas City, Inc.	3	0	0	0	<b>3</b>
<b>Wayne</b>	<b>TOTALS</b>	<b>2,521</b>	<b>5,334</b>	<b>47</b>	<b>53</b>	<b>7,955</b>

# 1995 HMO NORTHWESTERN REGION ENROLLMENT BY HMO BY ENROLLMENT CLASSIFICATION

Region / Counties Included	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members
<b>NORTHWESTERN REGION</b>	Community Health Plan	2,036	0	0	0	2,036
	TriSource HealthCare, Inc.d/b/a Blue-Advantage	293	0	0	0	293
	Prudential Health Care Plan, Inc., d/b/a PruCare	5	88	0	0	93
	Humana Health Plan, Inc.	32	0	0	0	32
	Humana Kansas City, Inc.	31	0	0	0	31
	Principal Health Care of Kansas City, Inc.	27	3	0	0	30
	GenCare Health Systems, Inc.	24	4	0	2	30
	MetraHealth Care Plan of Kansas City, Inc.	25	0	0	0	25
	Good Health HMO, Inc., d/b/a Blue-Care, Inc.	20	0	0	0	20
	Kaiser Foundation Health Plan of Kansas City, Inc.	11	0	2	0	13
	CIGNA HealthCare of Kansas/Missouri, Inc.	8	0	0	0	8
	Physicians Health Plan of Greater St. Louis, Inc.	8	0	0	0	8
	<b>TOTALS</b>	<b>2,520</b>	<b>95</b>	<b>2</b>	<b>2</b>	<b>2,619</b>

Atchison

Andrew

Davies

DeKalb

Gentry

Grundy

Harrison

Holt

Mercer

Nodaway

Worth



# 1995 HMO NORTHEASTERN REGION ENROLLMENT

## BY HMO BY ENROLLMENT CLASSIFICATION

Region / Counties Included	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members
<b>NORTHEASTERN REGION</b>	GenCare Health Systems, Inc.	314	636	0	1	<b>951</b>
Adair	Physicians Health Plan of Greater St. Louis, Inc.	222	0	0	0	<b>222</b>
Clark	Prudential Health Care Plan, Inc., d/b/a PruCare	1	42	0	0	<b>43</b>
Knox	Group Health Plan, Inc.	10	4	7	0	<b>21</b>
Lewis	HMO Missouri, Inc., d/b/a BlueChoice	9	10	0	0	<b>19</b>
Linn	Principal Health Care of Kansas City, Inc.	6	7	0	0	<b>13</b>
Macon	HealthLink HMO, Inc.	10	0	0	0	<b>10</b>
Marion	Humana Kansas City, Inc.	10	0	0	0	<b>10</b>
Putnam	Principal Health Care of St. Louis, Inc.	7	0	0	0	<b>7</b>
Schuyler	Exclusive Healthcare, Inc.	7	0	0	0	<b>7</b>
Scotland	TriSource HealthCare, Inc.d/b/a Blue-Advantage	7	0	0	0	<b>7</b>
Shelby	HealthCare USA of Missouri LLC	0	0	0	6	<b>6</b>
Sullivan	Humana Health Plan, Inc.	5	0	0	0	<b>5</b>
	<b>TOTALS</b>	<b>616</b>	<b>699</b>	<b>8</b>	<b>8</b>	<b>1,331</b>



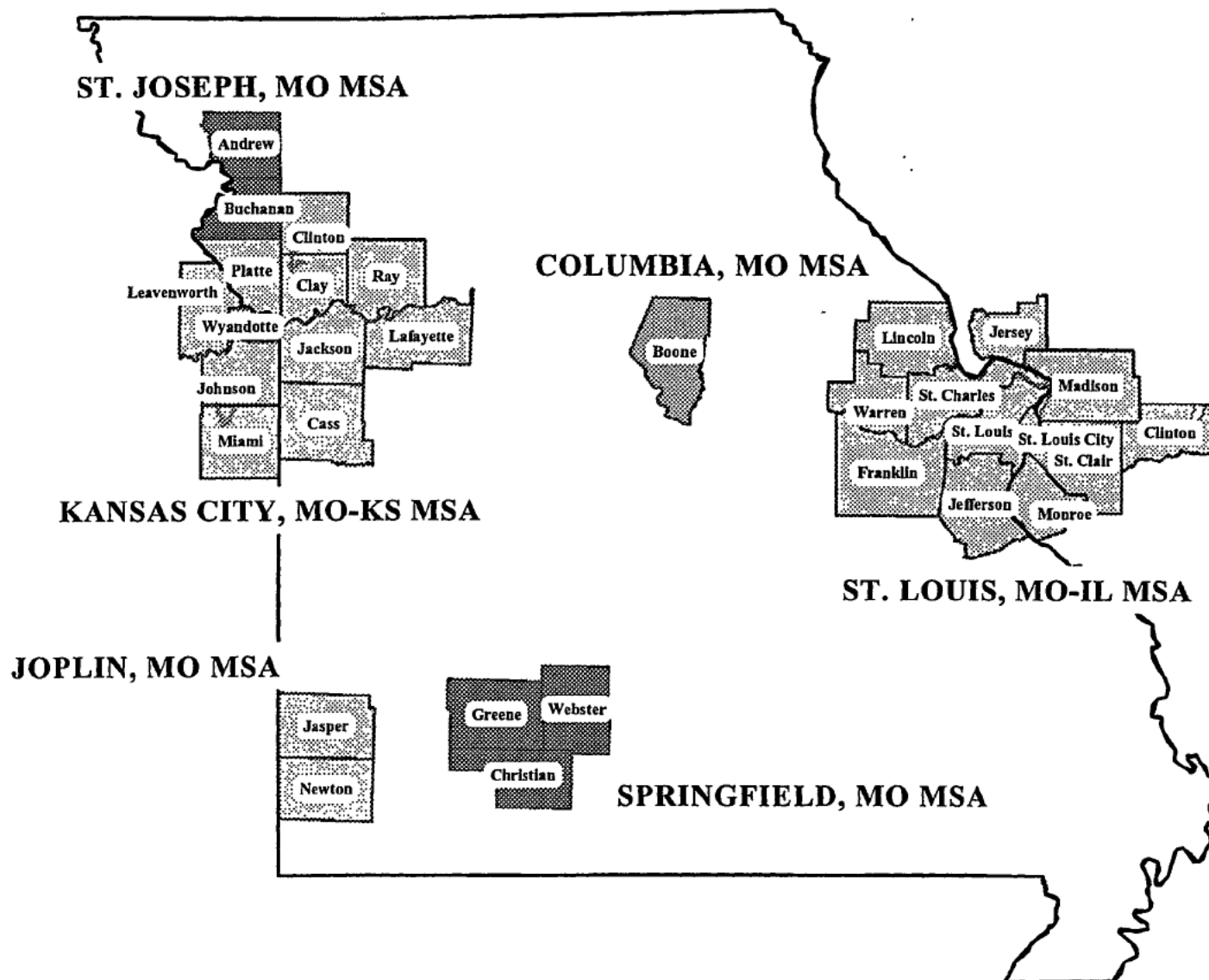
# 1995 HMO SOUTH CENTRAL REGION ENROLLMENT

## BY HMO BY ENROLLMENT CLASSIFICATION

Region / Counties Included	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members
<b>SOUTH CENTRAL</b>	Physicians Health Plan of Greater St. Louis, Inc.	442	0	0	0	442
Douglas	Humana Kansas City, Inc.	370	0	0	0	370
Howell	Mercy Health Plans of Missouri, Inc.	112	0	0	0	112
Oregon	GenCare Health Systems, Inc.	36	28	0	1	65
Ozark	Prudential Health Care Plan, Inc., d/b/a PruCare	2	44	0	0	46
Shannon	HMO Missouri, Inc., d/b/a BlueChoice	14	2	0	0	16
Texas	Group Health Plan, Inc.	1	5	9	0	15
Wright	Good Health HMO, Inc., d/b/a Blue-Care, Inc.	4	0	0	0	4
	Humana Health Plan, Inc.	3	0	0	0	3
	<b>TOTALS</b>	<b>984</b>	<b>79</b>	<b>9</b>	<b>1</b>	<b>1,073</b>

# 1995 HMO ENROLLMENT

## BY METROPOLITAN STATISTICAL AREA (MSA)\*



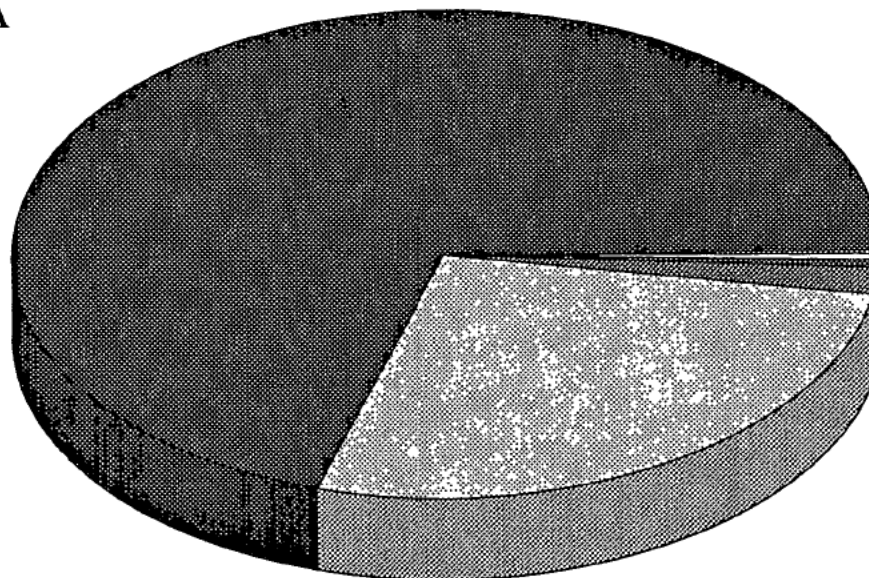
\*Enrollment data for non-Missouri counties may be incomplete or not limited to the Illinois or Kansas counties shown.

# TOTAL 1995 HMO ENROLLMENT BY MSA

HMO PLANS, POINT-OF-SERVICE (POS) PLANS, MEDICARE, and MEDICAID

Total 1995 MSA Enrollment = 1,200,690 \*

(70.1%) St. Louis MSA



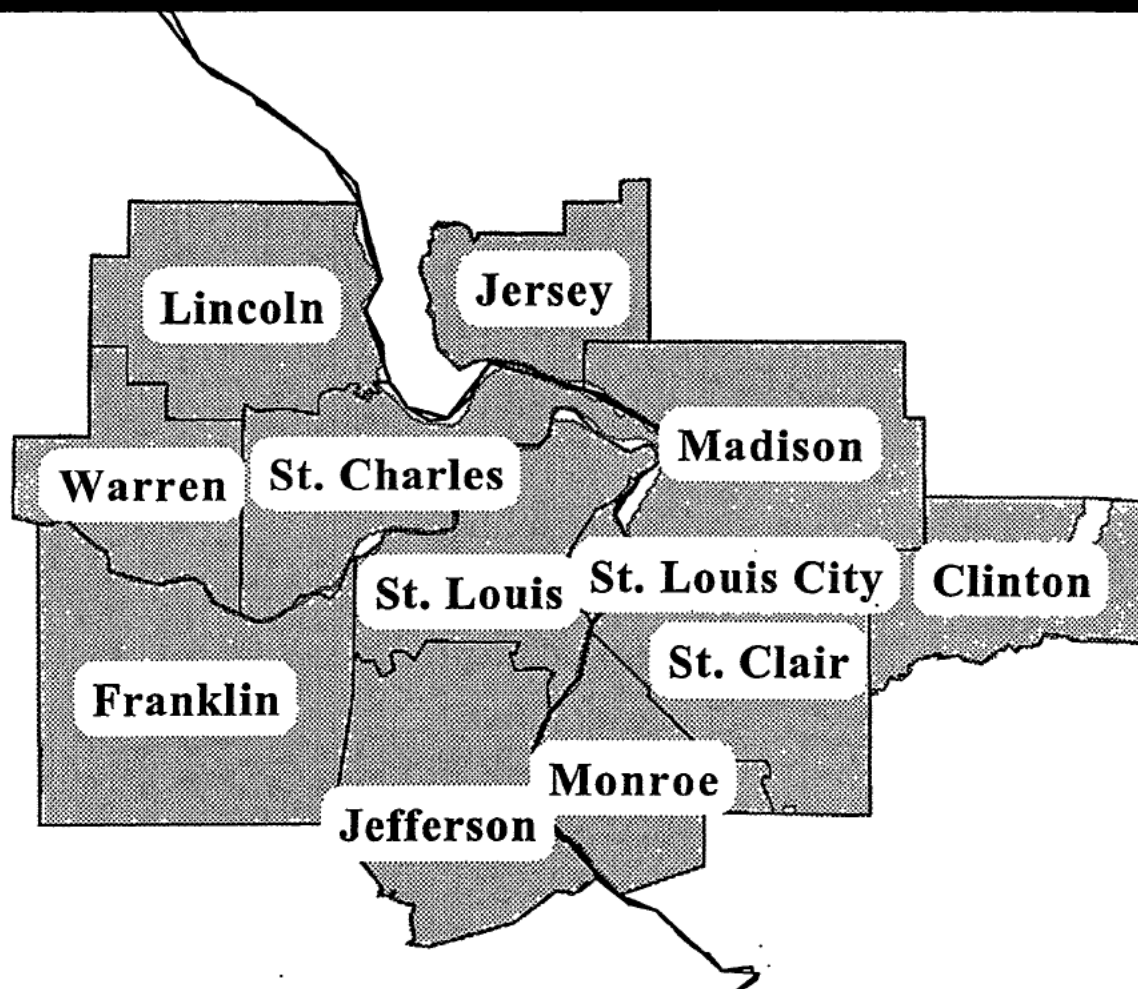
(0.3%) Joplin MSA  
(0.4%) St. Joseph MSA  
(0.5%) Springfield MSA  
(1.8%) Columbia MSA

(26.9%) Kansas City MSA

\* Enrollment data for the St. Louis MSA and Kansas City MSA include the Illinois and Kansas enrollment of Missouri-licensed HMOs. HMOs active in the Illinois and Kansas portions of the MSAs but unlicensed in Missouri are not included.

# 1995 HMO ENROLLMENT

## BY METROPOLITAN STATISTICAL AREA (MSA)\*



**ST. LOUIS, MO-IL MSA**

\*Enrollment data for non-Missouri counties may be incomplete or not limited to the Illinois counties shown.

# 1995 HMO ST. LOUIS MSA ENROLLMENT BY HMO BY ENROLLMENT CLASSIFICATION

MSA/Counties Included**	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members	MSA Market Share*
<b>ST. LOUIS</b>	GenCare Health Systems, Inc.	122,863	19,220	2,362	19,325	163,770	19.4%
Franklin, MO	Physicians Health Plan of Greater St. Louis, Inc.	138,641	0	8,797	0	147,438	17.5%
Jefferson, MO	Prudential Health Care Plan, Inc., d/b/a PruCare	43,673	59,288	0	14,985	117,946	14.0%
Lincoln, MO	Group Health Plan, Inc.	90,660	10,713	11,994	0	113,367	13.5%
St. Charles, MO	Medical Center Health Plan, d/b/a Partners HMO	35,902	1,052	0	26,645	63,599	7.5%
St. Louis, MO	HMO Missouri, Inc., d/b/a BlueChoice	46,270	9,508	3,922	0	59,700	7.1%
St. Louis City, MO	HealthCare USA of Missouri LLC	0	0	0	45,389	45,389	5.4%
Warren, MO	CIGNA HealthCare of St. Louis, Inc.	6,017	28,428	0	0	34,445	4.1%
Clinton, IL	Principal Health Care of St. Louis, Inc.	28,478	0	0	0	28,478	3.4%
Jersey, IL	Alliance for Community Health, Inc.	0	0	0	21,293	21,293	2.5%
Madison, IL	Humana Kansas City, Inc.	11,502	0	1	0	11,503	1.4%
Monroe, IL	Humana Health Plan, Inc.	1	0	0	11,230	11,231	1.3%
St. Clair, IL	Mercy Health Plans of Missouri, Inc.	58	0	0	8,603	8,661	1.0%
	Principal Health Care of Kansas City, Inc.	3,837	4,400	0	0	8,237	1.0%
	HealthLink HMO, Inc.	6,636	789	0	0	7,425	0.9%
	<b>TOTALS</b>	<b>534,538</b>	<b>133,398</b>	<b>27,076</b>	<b>147,470</b>	<b>842,482</b>	

Note: POS plan enrollment is not separable from HMO plan enrollment for Illinois enrollees.

\*MSA Market Share is the HMO's percentage of total St. Louis MSA enrollment.

\*\*For the HMOs below, the following additional central and southern Illinois counties were included:

GenCare Health Systems, Inc. - Bond, Calhoun, Greene, Macoupin, Montgomery, Randolph, & Williamson

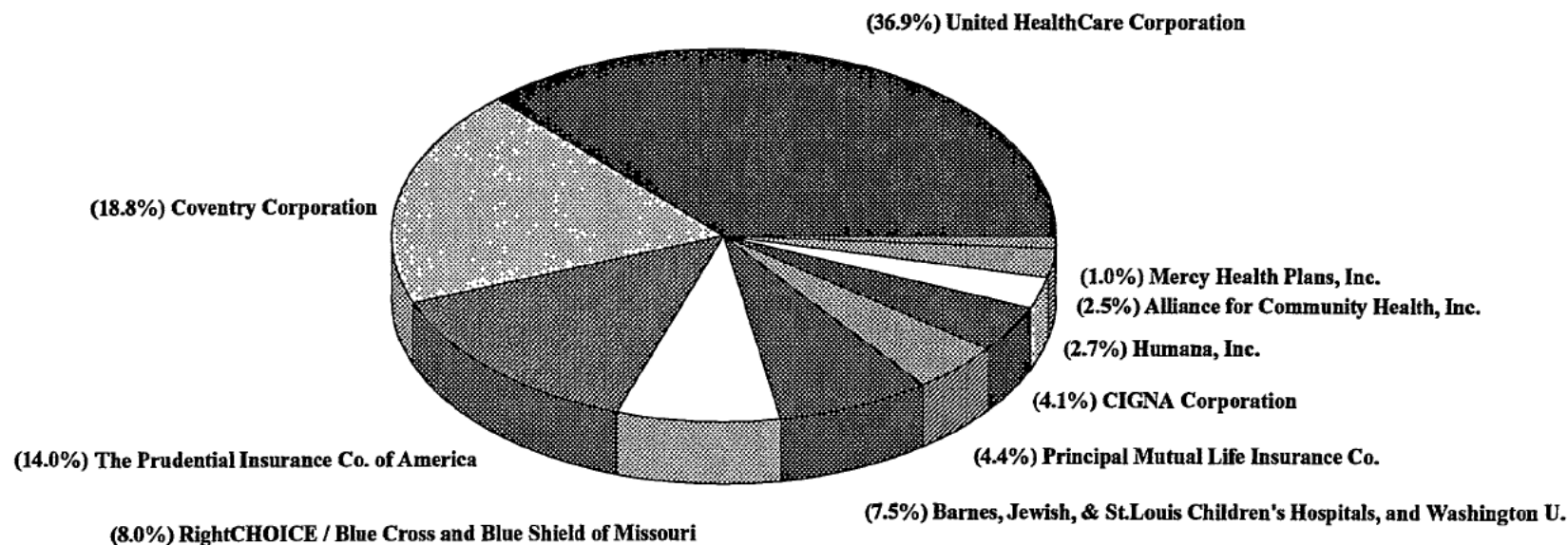
Group Health Plan - Bond, Calhoun, Christian, Coles, Franklin, Jackson, Jefferson, Macoupin, Marion, Menard, Montgomery, Morgan, Perry, Randolph, Saline, Sangamon & Williamson

Medical Center Health Plan - Macoupin & Randolph

Principal Health Care of St. Louis, Inc. - Macoupin

# 1995 HMO ST. LOUIS MSA ENROLLMENT BY HOLDING COMPANY GROUP

1995 St. Louis MSA Enrollment = 842,482



## Ultimate Parent: HMO Affiliate(s) as of 08/96

**United HealthCare Corporation:** GenCare Health Systems, Inc.; Physicians Health Plan of Greater St. Louis, Inc.; MetraHealth Care Plan of Kansas City, Inc.

**Coventry Corporation:** Group Health Plan, Inc.; Healthcare USA of Missouri LLC

**The Prudential Insurance Co. of America:** Prudential Health Care Plan, Inc., d/b/a PruCare

**RightCHOICE / Blue Cross and Blue Shield of Missouri:** HMO Missouri, Inc., d/b/a BlueChoice; HealthLink HMO, Inc.

**Barnes, Jewish, & St. Louis Children's Hospitals, and Washington U.:** Medical Center Health Plan d/b/a Partners HMO

**CIGNA Corporation:** CIGNA Healthcare of St. Louis, Inc.; CIGNA Healthcare of KS/MO, Inc.

**Principal Mutual Life Insurance Co.:** Principal Health Care of Kansas City, Inc.; Principal Health Care of St. Louis, Inc.

**Alliance for Community Health, Inc.:** Alliance for Community Health, Inc.

**Humana Inc.:** Humana Kansas City, Inc.; Human Health Plan, Inc.

**Mercy Health Plans, Inc.:** Mercy Health Plans of Missouri, Inc.

# 1995 HMO ST. LOUIS MSA ENROLLMENT

## BY HOLDING COMPANY GROUP BY ENROLLMENT CLASSIFICATION

MSA/Counties Included**	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members	MSA Market Share*
<b>ST. LOUIS</b>	United HealthCare Corporation	261,504	19,220	11,159	19,325	311,208	36.9%
Franklin, MO	Coventry Corporation	90,660	10,713	11,994	45,389	158,756	18.8%
Jefferson, MO	The Prudential Insurance Co. of America	43,673	59,288	0	14,985	117,946	14.0%
Lincoln, MO	RightCHOICE/Blue Cross and Blue Shield of MO	52,906	10,297	3,922	0	67,125	8.0%
St. Charles, MO	Barnes, Jewish, & St.Louis Children's Hospitals, and Washington University	35,902	1,052	0	26,645	63,599	7.5%
St. Louis, MO	Principal Mutual Life Insurance Co.	32,315	4,400	0	0	36,715	4.4%
St. Louis City, MO	CIGNA Corporation	6,017	28,428	0	0	34,445	4.1%
Warren, MO	Humana, Inc.	11,503	0	1	11,230	22,734	2.7%
Clinton, IL	Alliance for Community Health, Inc.	0	0	0	21,293	21,293	2.5%
Jersey, IL	Mercy Health Plans, Inc.	58	0	0	8,603	8,661	1.0%
Madison, IL	<b>TOTALS</b>	<b>534,538</b>	<b>133,398</b>	<b>27,076</b>	<b>147,470</b>	<b>842,482</b>	
Monroe, IL							
St. Clair, IL							

**Note: POS plan enrollment is not separable from HMO plan enrollment for Illinois enrollees.**

**\*MSA Market Share is the HMO's percentage of total St. Louis MSA enrollment.**

**\*\*For the HMOs (Holding Companies) below, the following additional central and southern Illinois counties were included:**

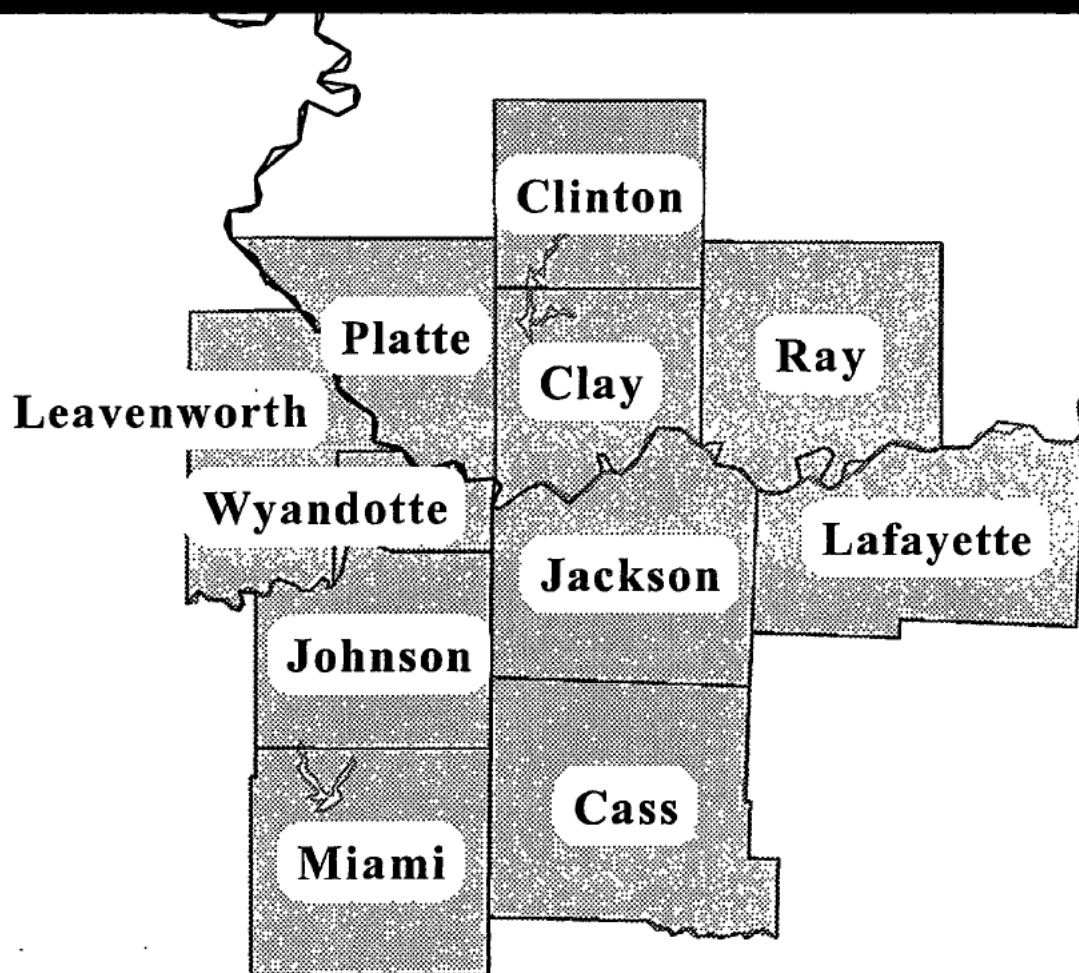
GenCare Health Systems, Inc. (United HealthCare Corp.) - Bond, Calhoun, Greene, Macoupin, Montgomery, Randolph, & Williamson

Group Health Plan (Coventry Corp.) - Bond, Calhoun, Christian, Coles, Franklin, Jackson, Jefferson, Macoupin, Marion, Menard, Montgomery, Morgan, Perry, Randolph, Saline, Sangamon & Williamson

Medical Center Health Plan (Barnes, Jewish, & St.Louis Children's Hospitals, and Washington U.) - Macoupin & Randolph

Principal Health Care of St. Louis, Inc. (Principal Mutual Life Insurance Co.) - Macoupin

# 1995 HMO ENROLLMENT BY METROPOLITAN STATISTICAL AREA (MSA)\*



**KANSAS CITY, MO-KS MSA**

\*Enrollment data for non-Missouri counties may be incomplete or not limited to only the Kansas counties shown.



# 1995 HMO KANSAS CITY MSA ENROLLMENT

## BY HMO BY ENROLLMENT CLASSIFICATION

MSA/Counties Included**	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members	MSA Market Share*
<b>KANSAS CITY</b>	Kaiser Foundation Health Plan of Kansas City, Inc.	45,776	0	1,276	0	47,052	14.6%
Cass, MO	TriSource HealthCare, Inc./d/b/a Blue-Advantage	42,797	0	1,499	1,499	45,795	14.2%
Clay, MO	Humana Kansas City, Inc.	32,217	0	11,803	1,447	45,467	14.1%
Clinton, MO	Principal Health Care of Kansas City, Inc.	42,427	2,701	0	0	45,128	14.0%
Jackson, MO	Humana Health Plan, Inc.	35,008	0	0	1	35,009	10.8%
Lafayette, MO	Prudential Health Care Plan, Inc., d/b/a PruCare	15,824	17,150	0	0	32,974	10.2%
Platte, MO	Good Health HMO, Inc., d/b/a Blue-Care, Inc.	22,895	0	1,765	0	24,660	7.6%
Ray, MO	Truman Medical Center, Inc.	0	0	0	13,482	13,482	4.2%
Johnson, KS	MetraHealth Care Plan of Kansas City, Inc.	9,266	0	0	0	9,266	2.9%
Leavenworth, KS	HealthNet, Inc.	6,827	0	0	955	7,782	2.4%
Miami, KS	CIGNA HealthCare of Kansas/Missouri, Inc.	7,220	269	0	0	7,489	2.3%
Wyandotte, KS	Exclusive Healthcare, Inc.	5,520	89	0	0	5,609	1.7%
	GenCare Health Systems, Inc.	2,822	360	0	1	3,183	1.0%
	Community Health Plan	119	0	0	0	119	0.0%
	Physicians Health Plan of Greater St. Louis, Inc.	27	0	0	0	27	0.0%
	HMO Missouri, Inc., d/b/a BlueChoice	8	13	0	0	21	0.0%
	Principal Health Care of St. Louis, Inc.	18	0	0	0	18	0.0%
	CIGNA HealthCare of St. Louis, Inc.	1	13	0	0	14	0.0%
	HealthCare USA of Missouri LLC	0	0	0	10	10	0.0%
	<b>TOTALS</b>	<b>268,772</b>	<b>20,595</b>	<b>16,343</b>	<b>17,395</b>	<b>323,105</b>	

Note: POS plan enrollment is not separable from HMO plan enrollment for Kansas enrollees.

\*MSA Market Share is the HMO's percentage of total Kansas City MSA enrollment.

\*\*For the HMOs below, the following additional Kansas counties were included:

CIGNA Healthcare of Kansas/Missouri, Inc. - Butler, Cowley, Douglas, Franklin, Harper, Harvey, Kingman, Marion, McPherson, Reno, Sedgwick & Sumner

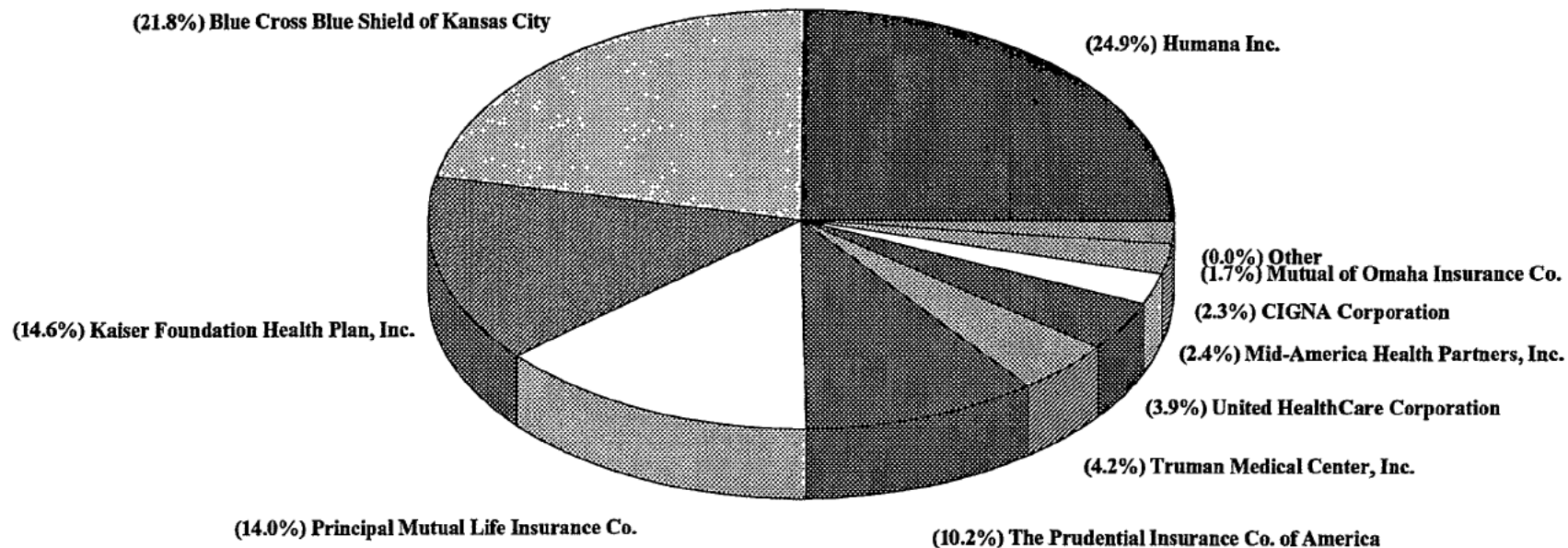
Humana Kansas City, Inc. - Atchison, Jefferson, Linn

Principal Health Care of Kansas City, Inc. - Butler, Cowley, Douglas, Franklin, Harvey, Marion, Sedgwick, Shawnee & Sumner

TriSource HealthCare, Inc., d/b/a Blue-Advantage - Atchison, Douglas, Franklin

# 1995 HMO KANSAS CITY MSA ENROLLMENT BY HOLDING COMPANY GROUP

1995 Kansas City MSA Enrollment = 323,105



## Ultimate Parent: HMO Affiliate(s) as of 08/96

**Humana Inc.:** Humana Kansas City, Inc.; Human Health Plan, Inc.

**Blue Cross and Blue Shield of Kansas City:** TriSource HealthCare, Inc., d/b/a Blue-Advantage; Good Health HMO, Inc., d/b/a Blue-Care; BMA Selectcare, Inc.

**Kaiser Foundation Health Plan, Inc.:** Kaiser Foundation Health Plan of Kansas City, Inc.

**Principal Mutual Life Insurance Co.:** Principal Health Care of Kansas City, Inc.; Principal Health Care of St. Louis, Inc.

**The Prudential Insurance Co. of America:** Prudential Health Care Plan, Inc.

**Truman Medical Center, Inc.:** Truman Medical Center, Inc.

**United HealthCare Corporation:** GenCare Health Systems, Inc.; Physicians Health Plan of Greater St. Louis, Inc.; MetraHealth Care Plan of Kansas City, Inc.

**Mid-America Health Partners, Inc.:** HealthNet, Inc.

**CIGNA Corporation:** CIGNA Healthcare of St. Louis, Inc.; CIGNA Healthcare of KSMO, Inc.

**Mutual of Omaha Insurance Co.:** Exclusive Healthcare, Inc.

**Heartland Health System:** Community Health Plan

**RightCHOICE/Blue Cross and Blue Shield of Missouri:** HMO Missouri, Inc., d/b/a BlueChoice; HealthLink HMO, Inc.

**Coventry Corporation:** Group Health Plan, Inc.; Healthcare USA of Missouri LLC

# 1995 HMO KANSAS CITY MSA ENROLLMENT

## BY HOLDING COMPANY GROUP BY ENROLLMENT CLASSIFICATION

MSA/Counties Included**	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members	MSA Market Share*
<b>KANSAS CITY</b>	Humana Inc.	67,225	0	11,803	1,448	80,476	24.9%
Cass, MO	Blue Cross Blue Shield of Kansas City	65,692	0	3,264	1,499	70,455	21.8%
Clay, MO	Kaiser Foundation Health Plan, Inc.	45,776	0	1,276	0	47,052	14.6%
Clinton, MO	Principal Mutual Life Insurance Co.	42,445	2,701	0	0	45,146	14.0%
Jackson, MO	The Prudential Insurance Co. of America	15,824	17,150	0	0	32,974	10.2%
Lafayette, MO	Truman Medical Center, Inc.	0	0	0	13,482	13,482	4.2%
Platte, MO	United HealthCare Corporation	12,115	360	0	1	12,476	3.9%
Ray, MO	Mid-America Health Partners, Inc.	6,827	0	0	955	7,782	2.4%
Johnson, KS	CIGNA Corporation	7,221	282	0	0	7,503	2.3%
Leavenworth, KS	Mutual of Omaha Insurance Co.	5,520	89	0	0	5,609	1.7%
Miami, KS	Heartland Health Systems	119	0	0	0	119	0.0%
Wyandotte, KS	Blue Cross Blue Shield of Missouri	8	13	0	0	21	0.0%
	Coventry Corporation	0	0	0	10	10	0.0%
	<b>TOTALS</b>	<b>268,772</b>	<b>20,595</b>	<b>16,343</b>	<b>17,395</b>	<b>323,105</b>	

**Note:** POS plan enrollment is not separable from HMO plan enrollment for Kansas enrollees.

**\*MSA Market Share is the HMO's percentage of total Kansas City MSA enrollment.**

**\*\*For the HMOs (Holding Companies) below, the following additional Kansas counties were included:**

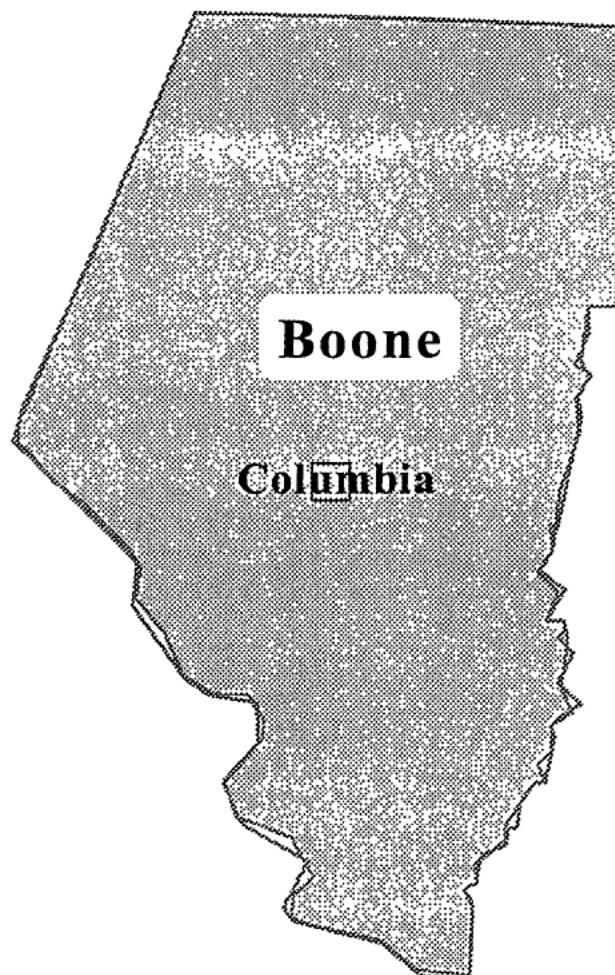
CIGNA Healthcare of Kansas/Missouri, Inc. (CIGNA Corp.) - Butler, Cowley, Douglas, Franklin, Harper, Harvey, Kingman, Marion, McPherson, Reno, Sedgwick & Sumner

Humana Kansas City, Inc. (Humana, Inc.) - Atchison, Jefferson, Linn

Principal Health Care of Kansas City, Inc. (Principal Mutual Life Insurance Co.) - Butler, Cowley, Douglas, Franklin, Harvey, Marion, Sedgwick, Shawnee & Sumner

TriSource HealthCare, Inc., dba Blue-Advantage (Blue Cross Blue Shield of Kansas City) - Atchison, Douglas, Franklin

# 1995 HMO ENROLLMENT BY METROPOLITAN STATISTICAL AREA (MSA)



**COLUMBIA, MO MSA**

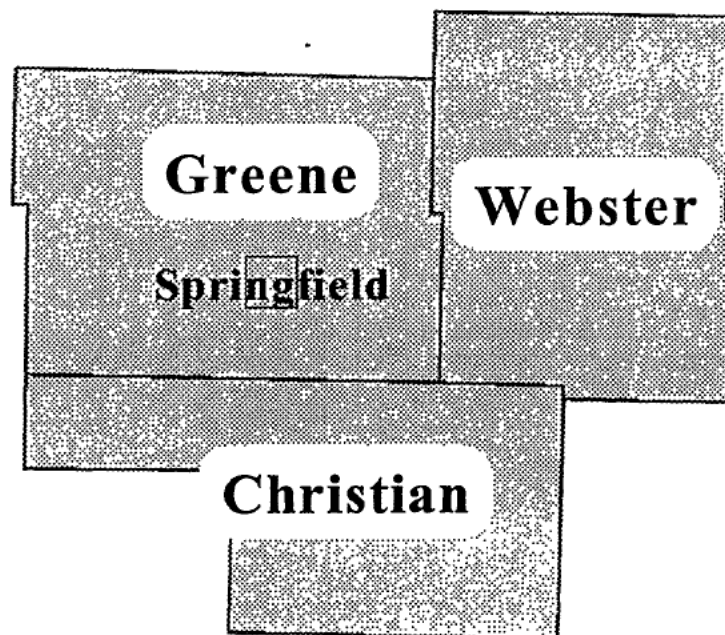
# 1995 HMO COLUMBIA MSA ENROLLMENT

## BY HMO BY ENROLLMENT CLASSIFICATION

MSA/Counties Included	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members	MSA Market Share*
<b>COLUMBIA MSA</b>							
<b>Boone</b>							
	GenCare Health Systems, Inc.	13,612	209	0	2	13,823	65.4%
	HMO Missouri, Inc., d/b/a BlueChoice	1,137	777	0	0	1,914	9.1%
	Medical Center Health Plan, d/b/a Partners HMO	1,806	1	0	0	1,807	8.6%
	Physicians Health Plan of Greater St. Louis, Inc.	1,724	0	0	0	1,724	8.2%
	Principal Health Care of Kansas City, Inc.	788	470	0	0	1,258	6.0%
	Humana Kansas City, Inc.	471	0	0	0	471	2.2%
	Prudential Health Care Plan, Inc., d/b/a PruCare	0	61	0	0	61	0.3%
	HealthLink HMO, Inc.	28	0	0	0	28	0.1%
	Group Health Plan, Inc.	8	0	11	0	19	0.1%
	CIGNA HealthCare of St. Louis, Inc.	1	10	0	0	11	0.1%
	HealthCare USA of Missouri LLC	0	0	0	9	9	0.0%
	TriSource HealthCare, Inc.d/b/a Blue-Advantage	4	0	0	0	4	0.0%
	Mercy Health Plans of Missouri, Inc.	1	0	0	3	4	0.0%
	<b>TOTALS</b>	<b>19,580</b>	<b>1,528</b>	<b>11</b>	<b>14</b>	<b>21,133</b>	

\*MSA Market Share is the HMO's percentage of total Columbia MSA enrollment.

# 1995 HMO ENROLLMENT BY METROPOLITAN STATISTICAL AREA (MSA)



**SPRINGFIELD, MO MSA**

**MISSOURI**

**ARKANSAS**

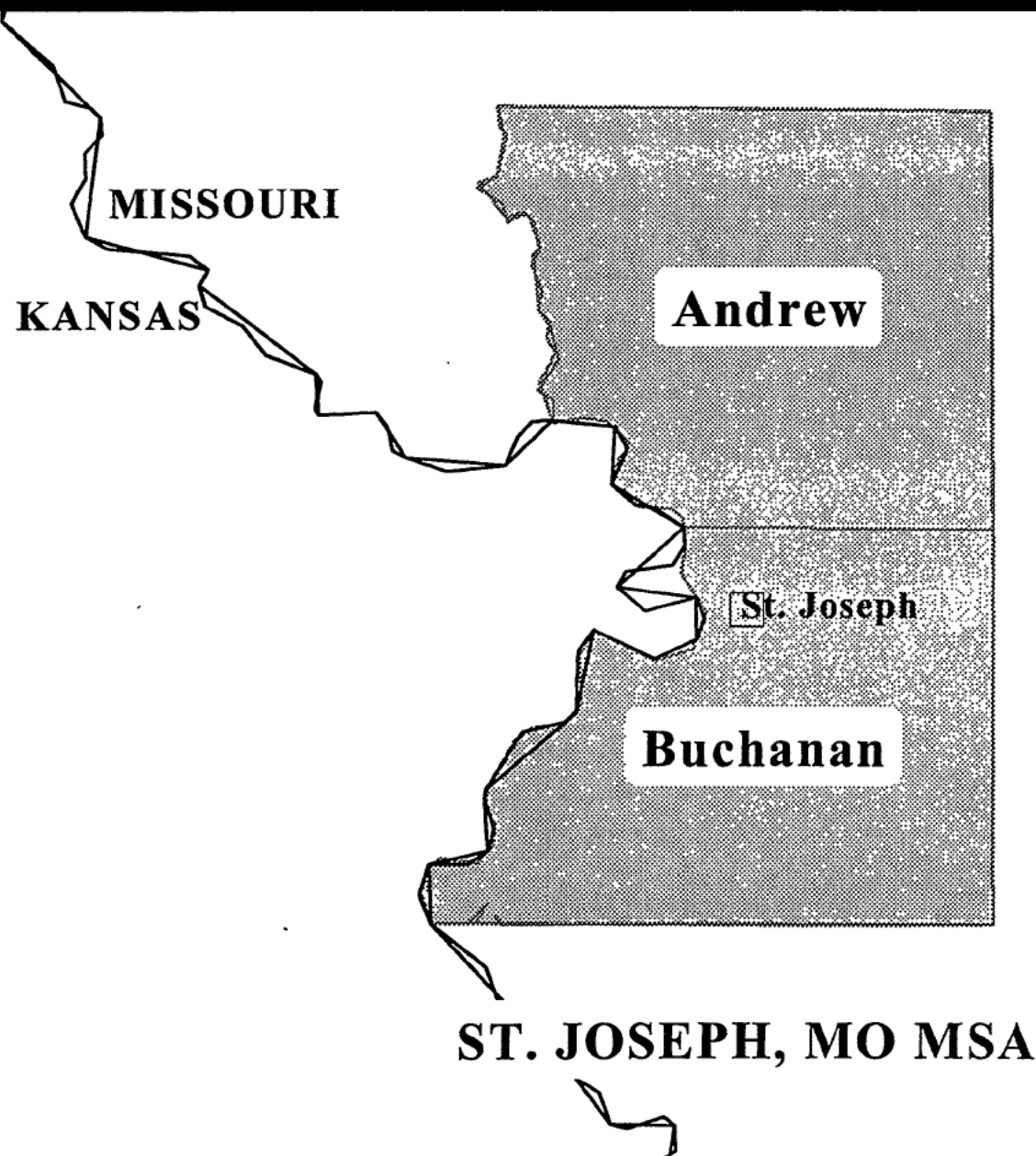
# 1995 HMO SPRINGFIELD MSA ENROLLMENT

## BY HMO BY ENROLLMENT CLASSIFICATION

MSA/Counties Included	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members	MSA Market Share*
<b>SPRINGFIELD</b>	Humana Kansas City, Inc.	2,762	0	0	0	2,762	44.0%
<b>Christian</b>	Mercy Health Plans of Missouri, Inc.	1,810	0	0	1	1,811	28.8%
<b>Greene</b>	Prudential Health Care Plan, Inc., d/b/a PruCare	0	1,561	0	0	1,561	24.9%
<b>Webster</b>	GenCare Health Systems, Inc.	27	9	0	0	36	0.6%
	Humana Health Plan, Inc.	33	0	0	0	33	0.5%
	HMO Missouri, Inc., d/b/a BlueChoice	22	1	0	0	23	0.4%
	Citizens Advantage	22	0	0	0	22	0.4%
	Physicians Health Plan of Greater St. Louis, Inc.	20	0	0	0	20	0.3%
	Group Health Plan, Inc.	2	1	4	0	7	0.1%
	CIGNA HealthCare of St. Louis, Inc.	0	5	0	0	5	0.1%
	<b>TOTALS</b>	<b>4,698</b>	<b>1,577</b>	<b>4</b>	<b>1</b>	<b>6,280</b>	

\*MSA Market Share is the HMO's percentage of total Springfield MSA enrollment.

# 1995 HMO ENROLLMENT BY METROPOLITAN STATISTICAL AREA (MSA)





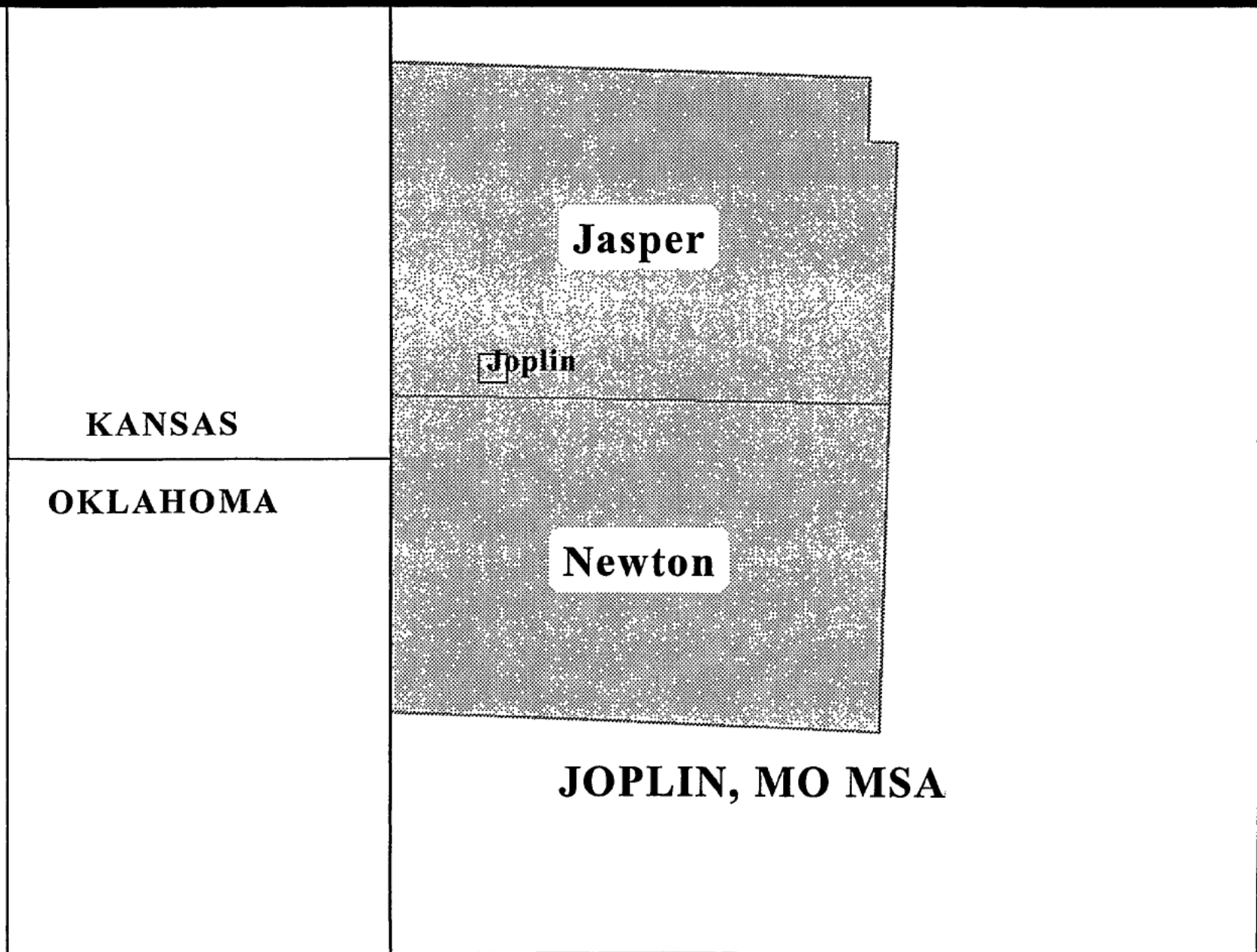
# 1995 HMO ST. JOSEPH MSA ENROLLMENT BY HMO BY ENROLLMENT CLASSIFICATION

MSA/Counties Included	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members	MSA Market Share*
<b>ST. JOSEPH</b>	Community Health Plan	3,589	0	0	0	3,589	77.3%
<b>Andrew</b>	TriSource HealthCare, Inc.d/b/a Blue-Advantage	570	0	0	0	570	12.3%
<b>Buchanan</b>	Prudential Health Care Plan, Inc., d/b/a PruCare	24	136	0	0	160	3.4%
	Humana Kansas City, Inc.	59	0	0	0	59	1.3%
	GenCare Health Systems, Inc.	44	4	0	0	48	1.0%
	MetraHealth Care Plan of Kansas City, Inc.	45	0	0	0	45	1.0%
	Humana Health Plan, Inc.	45	0	0	0	45	1.0%
	Principal Health Care of Kansas City, Inc.	38	4	0	0	42	0.9%
	Good Health HMO, Inc., d/b/a Blue-Care, Inc.	27	0	0	0	27	0.6%
	Kaiser Foundation Health Plan of Kansas City, Inc.	19	0	2	0	21	0.5%
	CIGNA HealthCare of Kansas/Missouri, Inc.	18	0	0	0	18	0.4%
	HealthNet, Inc.	11	0	0	0	11	0.2%
	Physicians Health Plan of Greater St. Louis, Inc.	7	0	0	0	7	0.2%
	Mercy Health Plans of Missouri, Inc.	0	0	0	2	2	0.0%
	HMO Missouri, Inc., d/b/a BlueChoice	0	1	0	0	1	0.0%
	<b>TOTALS</b>	<b>4,496</b>	<b>145</b>	<b>2</b>	<b>2</b>	<b>4,645</b>	

\*MSA Market Share is the HMO's percentage of total St. Joseph MSA enrollment.

# 1995 HMO ENROLLMENT

## BY METROPOLITAN STATISTICAL AREA (MSA)



# 1995 HMO JOPLIN MSA ENROLLMENT

## BY HMO BY ENROLLMENT CLASSIFICATION

MSA/Counties Included	Health Maintenance Organization	HMO Plan Enrollees	Point of Service Plan Enrollees	Medicare Enrollees	Medicaid Enrollees	Total Members	MSA Market Share*
<b>JOPLIN</b>	HMO Missouri, Inc., d/b/a BlueChoice	2,269	214	0	0	2,483	81.5%
<b>Jasper</b>	GenCare Health Systems, Inc.	432	12	0	0	444	14.6%
<b>Newton</b>	Humana Kansas City, Inc.	45	0	0	0	45	1.5%
	Prudential Health Care Plan, Inc., d/b/a PruCare	2	30	0	0	32	1.1%
	Mercy Health Plans of Missouri, Inc.	30	0	0	0	30	1.0%
	TriSource HealthCare, Inc. d/b/a Blue-Advantage	6	0	0	0	6	0.2%
	Good Health HMO, Inc., d/b/a Blue-Care, Inc.	3	0	0	0	3	0.1%
	Principal Health Care of Kansas City, Inc.	0	2	0	0	2	0.1%
	<b>TOTALS</b>	<b>2,787</b>	<b>258</b>	<b>0</b>	<b>0</b>	<b>3,045</b>	

\*MSA Market Share is the HMO's percentage of total Joplin MSA enrollment.







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